FBIS DAILY REPORT

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LATIN AMERICAN PARLIAMENT MEETS IN MONTEVIDEO

Rebel Groups Turned Away

PY111122 Madrid EFE in Spanish 2332 GMT 10 Oct 85

[Text] Montevideo, 10 Oct (EFE) -- Representatives of the Salvadoran Farabundo Marti National Liberation Front and the Guatemalan Revolutionary Front today asked to be allowed to sit as observers at the meeting of the Latin American Parliament being held to discuss the foreign debt issue. Latin American Parliament sources have told EFE that the representatives of the two groups wanted to be allowed into the sector reserved for high-ranking officials and special guests. The commission in charge of organizing the meeting of the Latin American Parliament turned down this request.

El Salvador and Guatemala, who belong to the Latin American Parliament, had stated they would not attend the meeting on the foreign debt. Meanwhile, a delegation of former Chilean lawmakers has been allowed to participate in the meeting. Two other countries that belong to the parliament -- Paraguay and Suriname -- are not attending the meeting either.

Statement Condemns Chilean Regime

PA121713 Paris AFP in Spanish 1649 GMT 12 Oct 85

[Text] Montevideo, 12 Oct (AFP) -- The Latin American Parliament "strongly" condemned the Chilean military Government today and resolved to send a delegation to that country to express its solidarity with the organizations struggling "to reinstate the democratic system." In a statement approved at the extraordinary assembly taking place in Montevideo, the regional forum expressed its "ethical and political duty" to redouble its "efforts to definitively liberate the region from the dramatic experience of military dictatorships."

The document emphasized "the increased human rights violations in Chile" in the wake of "the fierce repression by that country's dictatorship, exercised systematically as the only response to the heroic efforts of the peoples." At the same time, it accused the government of Augusto Pinochet of increasing the "procedures of state terrorism" such as "kidnappings, disappearances, assassinations, tortures, and weakening of opposition sectors." The resolution condemned "strongly the Chilean military dictatorship because it undermines the universal democratic conscience" and expressed solidarity "with the increasing struggles" of the population "to end the tyranny." It also decided to designate a delegation of the Latin American Parliament "to visit Chile" and "express its support for solidarity with the political, social, and religious organizations seeking to defend human rights and reinstate the democratic system."

Foreign Debt Report Studied

PY111643 Madrid EFE in Spanish 2354 GMT 10 Oct 85

[By Eduardo Coccaro]

[Text] Montevideo, 10 Oct (EFE) -- Argentine Senator Luis Leon, the president of the Latin American Parliament that is meeting in Uruguay to discuss the foreign debt issue, today proposed the establishment of a Latin American Central Bank that could assure financial discipline in the region. Leon said that Latin America must seek true integration and overall negotiation of the problems stemming from the foreign debt.

Lawmakers of 16 out of 19 member countries and a delegation of former Chilean parliamentarians are attending the meeting of the Latin American Parliament. In his first address, Leon stated that under the present circumstances it is the duty of Latin Americans to seek original approaches and not get bogged down by difficulties.

Leon emphasized that ways and means must be sought to turn Latin America into the United States of the South. He also recalled that 6 years ago the Latin American Parliament voted unanimously to establish a Latin American economic community. He stressed that it is quite possible that time has shown that this is the right thing to do.

He later added: This region is plagued by much social neglect that compels us to be more concerned about the needs of our people than about the bills of some international bankers.

The president of the parliament indicated that the prevailing idea throughout Latin America is to negotiate the foreign debt, although everyone is perfectly aware that it would be very difficult to service it on the terms the creditors want. Leon said: The problem is not whether to pay the debt or not, because if we do not change guidelines of international trade and finance, there will be no solution for us, regardless of the goodwill we may have or the sacrifices we may make.

After its inaugural session, the Latin American Parliament began studying a report from its technical department that summarizes the transfers of funds to industrial nations. According to this report, the foreign debt of developing countries at the end of 1983 amounted to $596.6 billion, of which $495.2 billion (83 percent) had been contracted by the public sector and the rest by the private sector. According to 1983 figures, Latin American countries are responsible for 48 percent of the foreign debt contracted by developing countries.

As for the sources of the debt, 49 percent are government, multilateral, and bilateral loans, while the remaining 51 percent have been obtained from private sources, mostly banks. The report added that although in recent years not all the countries of the region have been able to meet the established payment deadlines, Latin America nevertheless paid out $37.3 billion in interest and profits in 1984 and $34 billion in 1983.

Argentina has to put up approximately 52 percent of the income from its exports to pay the interest on its foreign debt; Bolivia 47 percent; Mexico 37 percent; and Brazil 36 percent. Latin American countries allocate between one-third and one-half of their income from exports to pay the interest on their foreign debts.

In view of this, according to the report of the Latin American Parliament, production declines and development is paralyzed because productive activities are deprived of funds. At the rate interest rates have been going up, they will require $42 billion every year in the next decade.

Cubans Oppose Debt Declaration

PY112105 Madrid EFE in Spanish 1642 GMT 11 Oct 85

[Text] Montevideo, 11 Oct (EFE) -- The Cuban delegation to the Latin American Parliament, which is meeting in Montevideo, today conveyed its concern over the proposal of a final declaration establishing the payment of the foreign debt on a voluntary basis.

The Cuban concern is based on that country's stand of not paying the Latin American foreign debt, totaling nearly $360 billion, a stand advocated by President Fidel Castro himself. The Cuban lawmakers, who are attending the first political discussion on the foreign debt, explained to their peers from 15 other nations their concern over an eventual declaration and its wording. Latin American Parliament sources have told EFE that the Cuban stand is being endorsed by the Nicaraguan delegation.

The draft of the declaration on the foreign debt was proposed by Uruguay, whose delegation, made up of representatives of the four political parties, namely the ruling Colorado Party, the leading opposition Blanco Party, the left-wing coalition Broad Front, and the Social Christian Civic Union Party, presented a common stand.

The Cuban delegation, headed by Flavio Bravo, is also conducting negotiations with left-wing lawmakers from other nations seeking to prevent the parliament from issuing a declaration. It has been leaked that Cuba is concerned over the political weight carried by a declaration on the foreign debt, which is contrary to the concepts launched in Havana, where a discussion that resulted in no final conclusions was convened.

Leon, Sanguinetti Speak

PY111753 Madrid EFE in Spanish 2242 GMT 11 Oct 85

[By Alberto Pepe Leira]

[Text] Montevideo, 10 Oct (EFE) -- Approximately 100 lawmakers from 16 countries representing all kinds of ideological leanings today began analyzing from a political standpoint the foreign debt of the region at the second special meeting of the Latin American Parliament. Of the 19 members of the Latin American Parliament, four nations -- El Salvador, Guatemala, Paraguay, and Aruba (the Netherland Antilles) -- are not attending the meeting. However, a group of former Chilean lawmakers who lost their positions as a result of General Augusto Pinochet's coup d'etat is participating as guest of honor with the right to voice their opinions and to vote.

Argentine Senator Luis Leon, president of the Latin American Parliament, spoke at the opening session to describe the regional drama arising from the foreign debt and called upon the politicans of the hemisphere to come up with solutions to this problem. Leon described Latin America's $360-billion foreign debt as a means to restrict the sovereignty of Latin American countries and urged everyone to join this new struggle for independence. The president of the Latin American Parliament advocated turning the region into a moral power despite those who want to make it into a nuclear power. He warned that to achieve this, Latin Americans must pursue unity rather than partisan or national interest, because the crisis affects the very standards of living of our people. Leon also voiced his support for overall integration and negotiation. He said that last year Latin America's trade surplus amounted to $37.6 billion, but it had to pay out $37.2 billion abroad to cover the interest on its foreign debt. He also warned the industrial powers that their quest for domination must not develop into threats to destroy everyone else.

Leon was followed by Uruguayan President Julio Maria Sanguinetti, who made an impromptu speech welcoming the delegations and recalling his participation in the meeting of the Latin American Parliament in Montevideo in 1967. Sanguinetti said that Latin America is struggling for a new position in the world on the strength of the different image which the new generation of politicians and statesmen are giving it. Latin America's role as a moderating force in the conflict between the powers is growing, said Sanguinetti.

He went on to add that it is beginning to show that it is capable of resolving its own problems. By way of an example, Sanguinetti mentioned the Contadora Group, adding that the region is no longer willing to wait for outside solutions.

Sanguinetti also said that to the figure mentioned by Senator Leon we must add the $60 billion worth of capital that was tranfered outside the region last year. He emphasized that because of protectionism and the decline of the prices of local export products, Latin America lost $10 billion last year.

Sanguinetti stated that the industrial nations will have to realize that there can be no respect for human rights if there are no economic rights. He emphasized that the foreign debt problem is not only financial but also commercial and economic. If we did not have this debt at this point, we would have a similar one in 10 years, Sanguinetti pointed out, adding that this problem cannot be solved through a miraculous financial formula, but through fair commercial and economic mechanisms.

Sanguinetti concluded by urging the Latin American Parliament to acquire institutional status because the region needs this political forum so as to have a common respected and respectable spokesman capable of representing all the nations. Sanguinetti had in mind the imminent approval of an accord to turn the Latin American Parliament into a forum akin to the European Parliament.

Colombia Rejects Nonpayment

PY121759 Paris AFP in Spanish 2308 GMT 11 Oct 85

[Text] Montevideo, 11 Oct (AFP) -- Colombia has rejected the Cuban proposal not to pay the foreign debt, although it demands its renegotiation to obtain an extension and a reduction in the interest rates, Colombian Congressman Manuel Labarca said here today. In his address to the special session of the Latin American Parliament underway in Montevideo, Barca said that the Latin American countries cannot be welshers and ignore their commitments, they must comply with them as honorable men. During today's session, one of the least applauded, he said that we should sit at a table with our creditors and tell them that we have every intention to pay, but that we cannot do so under the current conditions. Barca warned that if we decide not fulfill our commitments, we will become despised and degraded in the rest of the world's eyes, and we will be isolated, left alone to grumble in our own sadness. He said that unfortunately we cannot live without foreign credits because the prices that are currently paid for our exports are not sufficient to meet our needs for developing our communities. Let us not seek an easy way out and say that we are not going to pay or close our eyes to the future, Barca stated, clearly alluding to Cuban President Fidel Castro's proposal to stop paying our debt.

Declaration on Foreign Debt

PY132231 Paris AFP in Spanish 2335 GMT 12 Oct 85

[Text] Montevideo, 12 Oct (AFP) -- After a 3-day special meeting designed to discuss the region's foreign debt (of approximately $360 billion), the Latin American Parliament called for a reduction of the principal and interest rates. The so-called Declaration of Montevideo emphasized that it is impossible to pay the region's foreign debt under the current terms imposed by the creditors because it would imply a severe threat to social peace and stability of the democratic systems. The declaration reiterated the desire of the Latin American Parliament to mobilize all national congresses, all democratic political organizations, labor unions and popular organizations to defend the interests of the people of the region and to obtain a substantial change of the current terms for the payment of the foreign debt.

The declaration stated that the foreign debt is basically a political problem and that it is vital for the region to resolve the issue by jointly negotiating it at the highest level among the governments of the debtor countries and the creditors and their host governments. Thus, the Latin American Parliament recommended that its executive board seek a meeting of democratic presidents in order to coordinate common positions for all Latin American countries.

The declaration of the Latin American Parliament also proposed an urgent and effective effort to make the creditors reduce the principal and substantially lower the interest rates, in keeping with the historical changes that have taken place since the debt was contracted. The document outlined the objective of obtaining new deadlines for the payment of the debt based in every case on a realistic percentage of exports that would not jeopardize the basic need for economic and social development of debtor nations. The Montevideo Declaration called for the lifting of protectionist barriers, for the correction of current price policies, and for the opening of new lines of credit directed at financing further development. The declaration warned that if these objectives are not fulfilled, prevailing circumstances will make it necessary to delay the servicing of Latin America'a foreign debt.

Further on the document indicated that the unity of Latin American countries is indispensible for coping with the problem and implementing the measures that have been recommended. The Latin American Parliament voiced its support for clear-cut and firm positions of Latin American leaders in the face of IMF demands and reiterated that the debt cannot be paid at the expense of economic backwardness, mass unemployment, and the collapse of democracy because such a price would be too high. Finally, the declaration stated that a Latin American economic community and the autonomous regional economic and financial organizations that would arise from it would provide the ideal institutional framework that must be implemented without delay.

The declaration was approved by acclamation after a reconciliation of the Peruvian, Mexican, and Uruguayan positions. The reconciliation was based on the documents submitted by the Peruvian and Mexican delegations and a final addition submitted by Uruguay.

Nuclear Installations Criticized

PY132141 Paris AFP in Spanish 0057 GMT 13 Oct 85

[Text] Montevideo, 12 Oct (AFP) -- The Latin American Parliament today issued a declaration stating that the installation of nuclear bases in Latin America or near it and the nuclear tests on the Mururoa Atoll violate international treaties in effect and jeopardize Latin America'a integrity.

The declaration, issued at the end of a 3-day special meeting during which the Latin American Parliament discussed the continent's foreign debt, recalled that Latin America was declared a nuclear-free zone by the will of its peoples as set forth in the Treaty of Tlatelolco (Mexico). The Latin American Parliament stated that the installation of nuclear bases goes against the spirit of peace on the continent. The preamble of the declaration indicated that the Malvinas Islands, under British occupation have become a British naval base and constitute a potential threat to a large part of Latin America. The declaration also stated that despite the protests of coastal countries and world public opinion at large, the French Government has continued its nuclear tests on the Mururoa Atoll. The declaration recalled that Chile has been negotiating with the United States concerning the installation of a U.S. base on Easter Island which could be used by the latter in case of conflict. The declaration also said that the stores of nuclear weapons that the United States has in Puerto Rico constitute a threat.

TRADE DELEGATION DEPARTS FOR SOVIET UNION

PY120244 Buenos Aires Domestic Service in Spanish 2300 GMT 11 Oct 85

[Excerpts] An important Argentine trade delegation has left for the Soviet Union. The delegation is headed by Foreign Trade Secretary Ricardo Campero. Mining Secretary Juan Barrera is also a member of the Argentine delegation that departed for Moscow. Barrera has stated that they will discuss cooperation in the mining field with their Soviet counterparts.

Barrera made it clear that our strategy to attract foreign investments in the mining field is based on risk contracts, a virtually non-existent concept within the socialist system. Therefore, we have devised a mechanism which involves some risks but also appears to be agreeable to the Soviet Union, Barrera stated.

Barrera emphasized that in case our efforts are rewarded, in case an agreement is reached, we will be presenting three or four projects for the interior of the country. These projects involve a zinc plant in Jujuy Province, a multimetal minerals plant in San Juan province, and an aluminum sulphate plant, also in San Juan province.

ALFONSIN TO VISIT JAPAN IN NOVEMBER

PY151343 Buenos Aires TELAM in Spanish 1242 GMT 15 Oct 85

[Excerpt] Buenos Aires, 15 Oct (TELAM) -- A Tokyo datelined ANSA dispatch reports that Yoshio Hatano, the spokesman of the Japanese Foreign Ministry, today announced that Argentina's President Raul Alfonsin will make an official visit to Japan between 13 and 16 November 1985.

DEFENSE OFFICIAL ON WEAPON IMPORTS, EXPORTS

PY120252 Buenos Aires Domestic Service in Spanish 2300 GMT 11 Oct 85

[Text] Defense Production Secretary Raul Tomas, making statements at Ezeiza Airport, has discussed the possibility of manufacturing weapons for export. Here are his comments:

[Begin recording] [Tomas] I am traveling, at the invitation of the French Defense Ministry, to reciprocate a visit made by Mr (Eugenio Blanche), who is the general delegate for weapons. The purpose of the visit is simply to get acquainted with the organization of this area within the French Defense Ministry.

[Unidentified reporter] Will Argentina import weapons?

[Tomas] No, not at all. Argentina is now reformulating a long-term policy as part of a reorganization within the Armed Forces and, within this scheme, no weapons imports are foreseen in the short term.

[Reporter] Would it not be convenient to find a solution to the difficult economic situation the Armed Forces are enduring?

[Tomas] Right. Imports are out of the question.

[Reporter] I beg your pardon. Exports?

[Tomas] The exports policy must be considered within a more general context, given this type of material. Of course, Argentina is capable of exporting war materiel. However, I repeat that this must be subordinate to a broader framework established by our country's diplomacy and its standing in the diplomatic field. Of course, the sale of some assets, not only weapons, is contemplated in the budget approved by Congress as a mechanism for raising funds to restructure the military budget.

[Reporter] Then, they are not ruled out.

[Tomas] They are not ruled out. [end recording]

BOMB EXPLODES NEAR MILITARY APARTMENTS

PY151228 Buenos Aires NOTICIAS ARGENTINAS in Spanish 0958 GMT 15 Oct 85

[Text] Buenos Aires, 15 Oct 85 (NA) -- A powerful bomb exploded at 0105 today near an apartment building housing mostly military men. It caused considerable property damage, but there were no victims. The bomb, which was placed on the Mitre railway line next to Ancon Street, damaged the building at 2699 Dorrego Street, which is in front of the Patricios Infantry Regiment in the Palermo neighborhood.

As a consequence of the explosion, the masonry of the round-shaped building was damaged, mostly in the lower floors, but exterior windows were broken as high as the 18th floor. It is known that General Omar Jofre, retired, who took part in the Malvinas war, and General Antonio Luis Merlo, retired, who was Tucuman governor and chairman of the 1978 world soccer championship autarkic organization, live in this building.

The explosion tore off many railway ties, throwing them as high as 50 meters in the air, and part of the cement foundation on which the ties were placed was scattered. This is the third bomb in little more than a week placed near a building housing military men. A bomb exploded inside an Army car on 7 October in front of the apartment building where Colonel Francisco Javier Guernica lives, and on 9 October another bomb exploded near the San Isidro home of Rear Admiral Carlos Frias, retired; he is a member of the Supreme Council of the Armed Forces. No one was hurt in either incident.

This morning's bomb interrupted the Mitre line train service for nearly 2 hours, but it was resumed at 0300 today.

TIES WITH CUBA AFTER RAIDS ON DIPLOMATS' HOMES

Cuban Says Ties 'Normal'

PY151409 Paris AFP in Spanish 2253 GMT 14 Oct 85

[Text] La Paz, 14 Oct (AFP) -- After meeting with President Victor Paz Estenssoro, Lazàro Mora, chief of the Latin American Department of the Cuban Foreign Ministry, said that relations between the Bolivian and Cuban governments are normal, like those among other Latin American countries.

Mora, who also met with Bolivian Foreign Minister Gaston Araoz, arrived in Bolivia 48 hours after Interior Ministry agents raided the homes of the Cuban consul in Bolivia, Froilan Gonzales, and the political advisor of the Cuban Embassy, Rafael Salas. The Foreign Ministry explained that Salas' home was raided by mistake, while the raid on Gonzalez' house was carried out by common criminals.

Relations between Cuba and Bolivia became more tense when it was reported that the Bolivian Government had withdrawn police protection from the Cuban Embassy, which is normally granted to all the foreign diplomatic facilities in Bolivia. According to Mora, President Paz Estenssoro and Minister Araoz both say that the Cuban Embassy in Bolivia has full guarantees.

It has also been learned that changes have been made simultaneously in intelligence bodies of the Interior Ministry, allegedly affecting those responsible for the problems with the Cuban diplomats.

Denies Cuba Supports Insurgents

PY151613 La Paz Cadena Panamericana in Spanish 1130 GMT 15 Oct 85

[Text] At the end of a meeting with President Paz Estenssoro, Lazaro Mora, director of the Department of Latin American and Caribbean Affairs of the Cuban Foreign Ministry, yesterday said that Cuba does not support irregular armed groups. Answering journalists, he noted: We respect Bolivian domestic affairs. We have no dealings with these groups, with these alleged irregular groups. Moreover, from what I have read in the Bolivian press, the existence of these groups has not been proven.

ARMY COMMANDER SAYS NO GUERRILLA MOVEMENT FOUND

PY121749 Paris AFP in Spanish 2113 GMT 11 Oct 85

[Text] La Paz, 11 Oct (AFP) -- Army Commander General Raul Lopez Leyton said here today that the intelligence organizations of the Bolivian Army have not detected any guerrilla movement anywhere in the country. He said that there is absolute calmness throughout the entire country and that the regional and territorial commanders have reported that Armed Forces activities are normal.

However, a few days ago several newspapers and different Interior and Defense Ministry officials reported that guerrilla groups are in southern Bolivia and are probably linked to armed groups from neighboring countries.

General Lopez Leyton added that the Armed Forces chiefs are currently meeting to make next year's assignments.

He denied that the military chiefs have received any salary increases after the approval of the new economic policy and expressed his satisfaction at the lifting of the Bolivian Labor Confederation [COB] strike and the initiation of a dialogue between the union leaders and the government.

CIA SAID MANIPULATING NEWS ON INSURGENTS

PY151845 Paris AFP in Spanish 1318 GMT 15 Oct 85

[Text] La Paz, 15 Oct (AFP) -- The American CIA is openly manipulating reports about alleged guerrilla actions in Bolivia, Deputy Mario Rueda Pena, secretary of the National Revolutionary Movement of the Left [MNRI], said here today.

Rueda Pena, who was information minister during Siles Suazo's administration (1982-85), said that those reports about the alleged existence of guerrilla groups are meant to exert pressure on the government to break ties with Cuba. He said that foreign counterinsurgency experts are trying to link his party with alleged irregular actions in order to discredit and promote even further the repression against the Bolivian people.

Rueda Pena announced that Cristina Bernal, a MNRI member, has been arrested by Army Intelligence agents, who are submitting her to psychological pressures. He said his party will sue National Defense Minister Luis Fernando Valle for it.

Interior and Defense Ministry spokesmen announced last week that guerrilla groups had been discovered in the southern Bolivia; however, Armed Forces Commander General Simon Sejas Tordoya said all the military unit chiefs have reported to him that no evidence of insurgency has been found.

OFFICIAL QUESTIONS U.S. NARCOTICS COOPERATION

PY151637 Paris AFP in Spanish 2257 GMT 14 Oct 85

[Text] La Paz, 14 Oct (AFP) -- Colonel Guido Lopez, director of the Narcotics and Dangerous Drugs Department, said here today that it is not Bolivia but the United States that lacks interest in the struggle against drug trafficking. The United States does not provide its share of cooperation to erradicate this scourge that affects a large part of the U.S. population.

Lopez made this comment in reference to a statement in Brazil by Carlton Turner, director of the Office of Drug Abuse Policy in the White House, who said that drug trafficking originates in Bolivia because this is where the raw material is produced.

Lopez said: We do not understand how the bridge or middle countries in drug trafficking get U.S. cooperation and Bolivia does not get enough technical and financial aid, considering that this is a factor that contributes to the persistence of this scourge. He added: We know that the drug trafficking process begins here (Bolivia), but everyone knows that the demand is in the United States; therefore, the two nations are equally guilty.

Lopez indicated that despite this situation, Bolivian officials are working responsibly with concrete plans of operation to struggle against the groups involved in the trafficking of cocaine and its byproducts.

MITTERRAND COMMENTS, TALKS WITH SARNEY REPORTED

Supports Contadora Efforts

PY151312 Madrid EFE in Spanish 0306 GMT 15 Oct 85

[Text] Brasilia, 14 Oct (EFE) -- The Brazilian and French governments this evening reaffirmed their political and moral support for the Contadora Group peace efforts in Central America.

Presidents Jose Sarney and Francois Mitterrand specifically referred to the Central American problem in the speeches they delivered during a gala reception in honor of the French president.

President Sarney said Brazil wishes to express its solidarity with the Central American people because Brazil is firmly convinced that the conditions for the establishment of fair and democratic societies in the region will be created only out of respect for international law. The principle of self-determination is the same for Central American, Namibia, Afghanistan, and the Middle East, he said.

Referring to Central America, Sarney said the region wishes to improve its political, social, and economic structures without any foreign interference or pressure.

Proposes Foreign Debt Summit

PA160225 Paris AFP in Spanish 0041 GMT 16 Oct 85

[Text] Brasilia, 15 Oct (AFP) -- France is totally disposed to organizing a summit meeting among the industrialized and developing countries to discuss the problem of the foreign debt, French President Francois Mitterrand announced here today.

The French chief of state made the announcement at a press conference held in this capital today where he arrived on Monday for a 5-day visit to Brazil, with stopovers in Sao Joao Do Rey, Rio de Janeiro, Sao Paulo, and Recife. However, Mitterrand noted that a meeting at that level must be "successful."

The French president, who held a second meeting today with Brazilian President Jose Sarney, during which they discussed bilateral topics, declined to note how France will support Brazil in its negotiations with the IMF and the banks. Brazil has a foreign debt of $104 billion, of which approximately 10 percent is of French origin. "That is what we are discussing with the Brazilian authorities," he said. France will act as Brazil's attorney, with respect for the laws that exist between debtors and creditors, Mitterrand explained.

Mitterrand addressed the Brazilian parliament in the morning. Before Brazilian senators and deputies Mitterrand insisted on the need to reduce the gap that separates the industrialized countries of the North and the developing countries of the South. "the heightening of the differences between these two worlds," the French president said, "is a mortal threat to humanity, as is the proliferation of nuclear arms."

Mitterrand broached twice today the topic of the French nuclear force, once before the congress and later in response to questions during the press conference. On both opportunities he reiterated the decision of his government to pursue the nuclear tests in the Pacific Ocean. The first priority of France's foreign policy is to preserve national independence, for which nuclear arms are a fitting instrument.

"Those who criticize us abstain from doing so in front of the two superpowers," he noted.

During the press conference, Mitterrand stated that there is more radioactivity in Paris than in the French nuclear test polygon in Polynesia. "In Australia and New Zealand they complain that they are close to our testing grounds, while we are close to the regions where the Soviet Union conducts its nuclear tests and we say nothing," Mitterrand explained.

The French president will leave tomorrow morning, Wednesday, for Sao Joao do Rey (state of Minas Gerais) to pay tribute before the tomb of the late President Tancredo Neves. In the afternoon he will go to Rio de Janeiro, on Thursday he will be in Sao Paulo, and on Friday he will visit in Recife, from where he will continue on to Colombia on an official visit. In Recife Mitterrand will hold a second press conference to assess the end results of his visit to Brazil.

Brazil Not Favored Over Mexico

PA160102 Paris AFP in Spanish 0050 GMT 16 Oct 85

[Text] Brasilia, 15 Oct (AFP) -- French President Francois Mitterrand flatly denied today that France has opted for Brazil as a privileged ally in Latin America in place of Mexico. The rumor, which originated in Brasilia diplomatic sources, was echoed in the Brazilian press last week.

During a press conference today and in response to a question to that effect, Mitterrand explained: "Do not make me say what I never said." He recalled that Mexico was the first Latin American country he visited after he was elected president in 1981. "France places Brazil and Mexico on the same level. We want the friendship of both countries," the president emphasized.

Addresses Congress

PY160036 Paris AFP in Spanish 1916 GMT 15 Oct 85

[Excerpt] Brasilia, 15 Oct (AFP) -- Speaking from the rostrum of the Brazilian congress, French President Francois Mitterrand today praised Brazil's potential in the energy sector and reasserted France's determination to continue its nuclear defense program.

A few days before starting a new series of nuclear tests in the South Pacific, the French president vigorously criticized those who are attacking the French nuclear program. Addressing the Greenpeace movement and those countries that oppose French nuclear testing, although without naming them, Mitterrand clearly asked them to be less severe in their criticism. "To refuse to attack the most powerful, but to forbid those countries that are trying to defend their national identity by seeking the means that could help them to do so, reflects either a blind position or a collusion that I cannot accept," the French president said. Mitterrand classified the goal of preserving national independence as a top priority in French foreign policy.

Addressing the Brazilian congressmen, the French president insisted on the necessity of reducing the gap between the wealthy northern countries and the developing countries. He noted that this gap should be completely eliminated some day. According to the French president, an aggravation of these differences could have fatal consequences, such as the proliferation of nuclear weapons.

Mitterrand, speaking from the rostrum of the large glass, steel, and wood amphitheater, pledged homage to the reinstatement of democracy in Brazil and praised once again the courage and wisdom of the Brazilian people, despite their serious financial problems. From the same place where Tancredo Neves, the founding father of the new democratic Brazil, was elected president on 15 January, 3 months before he died, President Mitterrand said: "The new republic has been born and has transformed your country into a symbol of the democratic rebirth of the entire Latin American world."

CNEN PRESIDENT DISCUSSES NUCLEAR PROGRAM

PY152135 Rio de Janeiro O GLOBO in Portuguese 14 Oct 85 p 19

[By Ramona Ordonez]

[Text] The shipment of a few kilograms of beryllium oxide, discreetly exported to the United States 40 days ago as part of the new operation in the sophisticated field of nuclear technology, definitely marks the strengthening of the Brazilian nuclear program. This program, which is truly national and not very well known, is being implemented along with the nuclear program that foresees the transfer of technology from the FRG.

Besides the sophisticated electronic equipment used in nuclear medicine, sophisticated systems for industrial control, and research to gain insights into the technological packages of nuclear power stations, Brazil is making a breakthrough on its own concerning discovery of the basic principles of uranium enrichment, principles that will guarantee Brazilian independence in the nuclear field, whether they are applied in energy production, health, industry, or agriculture.

The single shipment of beryllium oxide represents the end of the primary phase (we used to export the unprocessed mineral at $100 per ton). Pure beryllium oxide, which lacks that type of essential bonding material used in all electronic control systems, brings prices of up to $350 per kilogram on the international market.

National Commission for Nuclear Energy (CNEN) President Rex Nazare Alves, who this week returned from the 29th annual meeting of the International Atomic Energy Agency in Vienna, is using this example to demonstrate the important breakthrough achieved over the past 3 years by the Brazilian nuclear program, which was implemented by the CNEN in close cooperation with research institutes and universities. The program's slogan is "autonomous national technology." According to Nazare Alves, all electronic equipment for radiation control, nuclear medicine, and industrial measurement gauges is completely nationalized now. He added: "A change of attitude, emphasizing increasing nationalization, is important."

Another important breakthrough has been achieved in the field of radioisotopes, 70 percent of which are being used in medicine, in the diagnosis and location of tumors, and in therapy. CNEN possesses the technology to produce and prepare radioisotopes at its institutes, namely the IPEN [Institute for Nuclear and Energy Research] in Sao Paulo and the IEN [Nuclear Energy Institute] in Rio de Janeiro.

In turn, the well-known Brazilian nuclear program, initiated 10 years ago as a large-scale crash project and capable of significantly changing the course of Brazilian energy policy and making the country a great nuclear power, is without funds, facing a crisis, and virtually paralyzed. The program is based on a cooperation agreement signed in 1975 with the FRG, an agreement providing for the transfer of technology for the construction of eight nuclear-power plants and transfer of the entire cycle for producing nuclear fuel by the year 2000.

After $4 billion has been spent without having produced a single kilowatt, the first power station -- Angra II -- is being built. No decisions have been made yet concerning Angra III and the other power stations that are planned. The program is being reassessed by a committee of the Mines and Energy Ministry formed by government representatives and scientists. The committee will determine the timetable of the projects seeking to preserve knowledge already gained.

Rex Nazare Alves said that in order to use any energy source, it is essential to have the raw materials and the required technology. Brazil possesses the fifth largest uranium reserves in the world (over 200,000 tons) and must obtain the technology required to use nuclear energy in the near future -- not just to produce electric power but also for use in the health, industry, and agriculture fields.

The CNEN president admits that it is necessary to adjust the Brazilian nuclear program, which is being implemented by Nuclebras along with the Germans, adapting it to the country's financial resources. According to Rex Nazare Alves, the Brazilian nuclear program needs a timetable, which would allow Brazil to gain the know-how to use nuclear energy in the future. "As the economy grows, requirements will increase along with nuclear energy. Nuclear energy will be increasingly used," Nazare Alves said.

When nuclear energy is discussed, nuclear power plants come to mind but nuclear energy is increasingly being used in other fields in the country. In Brazil, there are 2,325 institutions using nuclear energy in medicine, industry, research and commerce in all states except in Acre and Roraima.

Nuclear energy will play an important agricultural role in the preservation of food and cereals for several years without any alteration whatsoever in their quality. According to the CNEN president, within 2 years nuclear energy will be used in Brazil to preserve tropical fruit. CNEN is also conducting research at the Center for Using Nuclear Energy in Agriculture (CENA) to produce new wheat, pineapple, and corn varieties with greater yields. Irradiated vaccines are already being manufactured for animals. These vaccines eliminate the (dictyocaulus) bacillus, which reduces the life span of the cattle, from the cattle's lungs.

According to Nazare Alves, several countries, including the Netherlands, France, Israel, Japan and the United States, already have laws allowing the irradiation of food to preserve it without hurting the health whatsoever. Brazilian agriculture will be the great beneficiary of grain preservation in the future, Rex Nazare Alves asserted.

The independent nuclear program being developed by the CNEN and the research institutes since 1982 is conducting expanded research in over 25 items within the different energy fields. In addition, all the uranium enrichment processes (jet nozzle and gaseous diffusion) developed by the industrialized countries, like the United States and the FRG, are being studied and held under lock and key. Rex Nazare Alves is optimistic that some day he will be able to announce at the CNEN front door -- indeed, with plenty of press coverage -- that Brazilian scientists have learned the complex secret of the technology of uranium enrichment, known only to a few, guaranteeing Brazilian independence in the field of nuclear energy.

CHILE-PRC COMMISSION ENDORSES TRADE AGREEMENTS

PY151759 Santiago EL MERCURIO in Spanish 5 Oct 85 p C1

[Text] During its closing session yesterday, the eighth PRC-Chilean Economic and Trade Commission reported that agreements for reciprocal purchases of Chinese oil by Chile and Chilean copper by the PRC will be signed soon. The commission pointed out the progress attained in the negotiations between the Codelco [Chilean Copper Corporation] and the China International Trade Investment Corporation for signing a contract to sell copper concentrate. An agreement between the ENAP [National Petroleum Enterprise] and the PRC National Chemicals Import and Export Corporation [Sinochem] for the purchase of Chinese oil was likewise endorsed by the commission.

The commission also expressed its satisfaction with the agreement between the two countries for the purchase of Chinese hydroelectric plants and the possible purchase of generator equipment by Endesa [Chilean National Electric Power Corporation].

The final record of the meeting was signed in the Red Room of the Chilean Foreign Ministry. The Chilean delegation was headed by Finance Undersecretary Colonel Manuel Concha, while the Chinese delegation was headed by Vice Minister of Foreign Economic Relations and Trade Ji Shi. The final report of the commission states that the national delegation expressed its interest in acquiring Chinese technological cooperation to exploit tungsten. Therefore, the two countries will formally undertake feasibility studies.

Regarding the investment field, the legislation on these activities was analyzed, and it was agreed that any doubts about the matter will be clarified through diplomatic channels. The two parties also agreed on the importance of establishing joint ventures as instruments for the development and diversification of the bilateral economic relations.

In this sense, the commission expressed satisfaction with the negotiations that are being carried out for developing investment projects like those planned by Codelco-Chile, Madeco [Copper Manufacturers, Inc.] and the China Nonferrous Metals Industry Corporation to install copper tube and wire manufacturing plants in the PRC.

It also proposed actively pushing development of bilateral economic and trade relations between the two countries, increasing the participation of Chilean companies in the bilateral maritime traffic, and augmenting the reciprocal participation of the two countries in the FISA [Santiago Industrial Fair] and the Guangzhou Trade Fair.

The increase in Chinese exports to Chile was also endorsed by the commission. The PRC expressed its interest in exporting oil, canned cooking oil, rice chemical raw materials, and paints, among other products, while Chile expressed its wish to sell to the PRC electrolytic copper, molybdenum, lithium carbonate, iron materials, and fruits, among other products.

The PRC delegation today will begin a tour of Region 2, where it will visit the Enaex [not further identified] plant in Mejillones, and the Codelco plant in Tocopilla.

The eight-person delegation will arrive in Cerro Moreno on a domestic flight at 1000. They plan to visit Maria Elena and Chuquicamata on 6 October, and on 7 October they will visit the Atacama salt and lithium deposits. In the afternoon they will take a tour of the cities of San Pedro de Atacama and Calama.

MANUEL RODRIGUEZ FRONT TAKES CREDIT FOR BOMBINGS

PY152055 Paris AFP in Spanish 1938 GMT 15 Oct 85

[Text] Santiago, 15 Oct (AFP) -- The clandestine Manuel Rodriguez Patriotic Front (FPMR) has claimed responsibility for bomb attacks that today cut railway traffic in central and southern Chile. One attack with nine powerful bombs occurred in the city of Quilpue on the railroad tracks linking Santiago with Valparaiso, Chile's main port. Three other bombs damaged railroad tracks in the industrial and timber-producing region of Concepcion, 500 km south of Santiago.

In telephone calls to news agencies, an FPMR spokesman has said these actions are designed to convey solidarity with the detained leaders, alluding to six union leaders who were detained on charges of engaging in subversive activities against the military regime of President Augusto Pinochet. Centrist and leftist opposition parties and unions have requested that peaceful demonstrations be held today and tomorrow to convey support for the dissident leaders, Rodolfo Seguel, Manuel Bustos, and Jose Ruiz di Giorgio, all of the National Workers Command.

Today, however, was preceded by a wave of bomb attacks. Six public buses were burned, and incendiary attacks were perpetrated against a Mormon church, a women's social welfare center, and a food store in Santiago, Valparaiso, and Concepcion.

BRIEFS

ARMY CHIEFS APPOINTED -- President Pinochet has approved the appointment of six new Army chiefs, who will assume their posts before the end of the year. According to an Army communique, their names and positions are: Brigadier General Julio Araya (Baguntin), chief of staff; Brig Gen Alfredo Calderon Campuzano, personnel director; Brig Gen Carlos (Mairelles) Miller 1st Division commander; Brig Gen Carlos Ojeda Vargas, Santiago Garrison commander; Brig Gen Jaime Gonzalez Bergara, 5th Division commander; Brig Gen Rodrigo Sanchez (Casillas), 7th Brigade commander. [Summary] [Santiago Domestic Service in Spanish 1100 GMT 11 Oct 85 PY]

NEW ARMY INSPECTOR GENERAL -- Major General Manuel Barros Recabarren has been appointed Army inspector general. [Summary] [Santiago Radio Chilena in Spanish 1700 GMT 11 Oct 85 PY]

IDB CREDIT -- The IDB has approved a $17.5-million credit for Chile, which will be used to improve agricultural and livestock investigation and technology transfer. The entire program will cost $33.5 million. The remaining $16 million must be financed by the Chilean Government. [Excerpt] [Santiago Domestic Service in Spanish 1100 GMT 10 Oct 85 PY]

BETANCUR URGES FARC TO DEFINE POLITICAL ROLE

PA151315 Paris AFP in Spanish 2313 GMT 12 Oct 85

[Text] Bogota, 12 Oct (AFP) -- President Belisario Betancur today urged Revolutionary Armed Forces of Colombia (FARC) guerrillas to decide if they will definitely join institutional life through the recently created political group called "Patriotic Union" (UP).

FARC signed a cease-fire agreement for 1 year with the government on 28 May 1984, and when the terms of the pact expired they requested an extension for 1 more year, which at the time provoked various reactions from the political parties and the government itself.

During a ceremony in which Betancur delivered several housing units to military men, he rejected the extension of the deadline and said that now that the deadline has expired, the guerrilla group should decide if political conditions are right for its becoming a legal party.

Likewise, the president rejected the term "truce" used to define a cease-fire as agreed, and said that this word does not appear in the documents that were signed. Going into details on this issue, Betancur pointed out that the agreements talked about an "indefinite cease of hostilities," which is being enforced, because the UP is carrying out its campaign without harrassing civilian or military authorities, he said. However, he admitted the guerrilla clashes with the institutional forces have intensified in recent weeks in various provinces of the country, and he regretted the death toll.

Concerning the reports that the guerrilla groups who signed the agreement might turn in their weapons, which is something various sectors are demanding, Betancur said that this has not been demanded because right now the government does not know how many weapons the guerrillas have, which is not due to carelessness on the part of the government. "The government might be in for a series of tricks if it demands that the guerrillas turn in their weapons, the number of which we are not sure of, and then we increase the sanctions of the illegal possession of weapons," he explained.

Concerning a reorganization of the so-called commissions of peace, dialogue, and verification, whose members resigned, the president disclosed that a new commission will be appointed with few members and which will cover the various commissions that previously existed.

Concluding, Betancur renewed his hopes for the pacification of the country and insisted on his "wishes for peace."

UP To Register, Asks to Meet Betancur

PA151841 Bogota Emisoras Caracol Network in Spanish 1215 GMT 15 Oct 85

[Text] Bogota -- The Patriotic Union [UP], political branch of FARC, has announced that it will legally register at the Electoral Court this week and asked President Betancur to meet with its leaders, who will present new arguments concerning the need to extend the 1-year trial period. It believes that the conditions are not currently such that members of that guerrilla organization may return to civilian life.

(Braulio Herrera), UP coordinator, told Emisoras Caracol Network that FARC will only become a political party if the political, economic, and social amendments proposed by the La Uribe agreements are ready by 1 December and the physical integrity of its members is guaranteed.

Since it is difficult to predict that the congress will have analyzed the amendments by that date [words indistinct] an extension to the agreements, which is what President Betancur really wants in order to present a favorable balance of the peace talks, (Braulio Herrera) said.

He said that the head of state has not categorically denied FARC's proposals. He gave us a negotiable no; consequently, we are asking him to grant us an audience so that he may learn about things which he surely ignores, such as the death of 70 UP militants during the last 4 months and the military hostilities against FARC camps, (Braulio Herrera) said to Emisoras Caracol Network.

FARC 'Terrorist' Plans Seized

PA151936 Bogota EL SIGLO in Spanish 11 Oct 85 pp 1, 13

[From the "Confidential Report" column by Alberto Giraldo]

[Text] The Armed Forces intelligence service's constant search for information led to the discovery of several documents belonging to the FARC General Staff, which prove that they have a plan for terrorist and armed actions in case the truce fails.

The FARC General Staff's plans are summarized thus:

- The FARC's 30 fronts will divide in 2 at the moment of renewing the struggle.

- Each of the 60 fronts must carry out 3 guerrilla-type operations immediately after the rupture of the truce.

- Actions against the military forces will be stepped up, and the registration of new militants will be activated.

The seized documents reveal that the FARC will insist on the truce with the government. They will maintain the dialogue with President Belisario Betancur.

BENTANCUR TO HOLD FINANCIAL 'MINISUMMIT'

PA151822 Bogota Emisoras Caracol Network in Spanish 1215 GMT 15 Oct 85

[Text] Cartagena -- President Belisario Betancur will hold a financial minisummit today. World Bank President Alden Clausen will attend. The head of state will also meet privately with representatives of international private banks. The main topic will be the achievement of the goals established by the Colombian Government during the first three-quarters of enforcing the economic adjustments plan, the $4.5-billion foreign financial program for the country, and the details of signing $1 billion in private loans to the nation.

The president will also meet in Cartagena with international health authorities and representatives of the world's news media, who are participating in the Inter-American Press Association annual assembly; the meeting will be officially opened tomorrow by President Betancur.

TERAN: NICARAGUAN INCIDENT 'CLOSED AFFAIR'

PA151326 Quito Voz de los Andes in Spanish 1130 GMT 15 Oct 85

[Text] Foreign Minister Edgar Teran Teran stated last night that he considers the diplomatic incident with Nicaragua a closed affair, while stressing that Ecuador decided to break off diplomatic relations with Nicaragua in response to the insults against Ecuador's national dignity launched by Commander Daniel Ortega.

Teran made it clear that the decision holds no relation to political or ideological positions, pointing out that Ecuador's foreign policy is nonpartisan as evidenced by the fact that it maintains diplomatic relations with countries of diverse political orientations.

The foreign minister indicates also that a Colombian radio station that interviewed him over the telephone yesterday distorted his statement regarding the possible conditions that will be required for the reestablishment of relations between the two countries. He said: Ecuador has not requested an apology. It broke off diplomatic relations because its national dignity was offended.

Teran Teran agreed with the opinions issued by leaders of the Nicaraguan Social Christian and Christian Democratic Parties, whom he said share the decision of President Leon Febres Cordero.

He remarked that on the other hand, he was not surprised by the positions assumed by various Ecuadoran political leaders whom he described as extremists.

NICARAGUA'S RAMIREZ MEETS SANGUINETTI, OTHERS

PY101450 Paris AFP in Spanish 2358 GMT 9 Oct 85

[Text] Montevideo, 9 Oct (AFP) -- During a brief visit to Uruguay, Nicaraguan Vice President Sergio Ramirez stated that Nicaragua is making tremendous efforts to achieve a peaceful solution to the Central American conflict and to prevent an armed confrontation in the area.

Ramirez, who arrived here this morning from Argentina, met with Uruguayan President Julio Maria Sanguinetti, his Uruguayan counterpart Enrique Tarigo, and Foreign Minister Enrique Iglesias. Ramirez asked for their cooperation in arranging a visit by a Contadora Group commission (Mexico, Colombia, Venezuela, and Panama) to the area in conflict.

In remarks to the press, Ramirez stated that he discussed with Sanguinetti general subjects related to the Contadora Group, the peace negotiations, and the preparation of a new proposal, which is being discussed in Panama by the Contadora Group members and the Central America countries.

Ramirez said that the presence of the Honduran Army among the counterrevolutionary army forces and Nicaraguan troops represents a danger in the area. According to the Nicaraguan vice president, he also talked with the Uruguayan authorities on the efforts his country is making to reach a definite understanding regarding the tense situation that existed in the past with Costa Rica. This afternoon Ramirez returned to Buenos Aires where he will meet with President Raul Alfonsin. It has been recalled that Argentina and Uruguay are members of the so-called Contadora support group. The other members are Brazil and Peru.

GOVERNMENT MANAGING NICARAGUA'S ECUADOR INTERESTS

PA131513 Paris AFP in Spanish 1416 GMT 13 Oct 85

[Text] Montevideo, 13 Oct (AFP) -- It has been officially announced in Montevideo that Uruguay has decided to handle Nicaragua's diplomatic and consular affairs in Ecuador effective today, following the break in relations between the governments of Nicaragua and Ecuador. On Friday, 11 October, Ecuador decided to break diplomatic relations with Nicaragua after an exchange of accusations and criticisms between presidents Leon Febres Cordero and Daniel Ortega. In a communique issued by the Uruguayan Foreign Ministry, the Uruguayan Government said it has decided to assume Nicaraguan representation following an express request from that Central American government.

BRIEFS

MEMBERSHIP IN ANTARCTICA TREATY -- As of today, Uruguay is a member of the International Antarctica Treaty. Our country joined the treaty during a meeting being held in Brussels. Colonel Ricardo Galarza, president of the Uruguayan Antarctic Institute, and Dr Elias (Puzeiro), head of our legal team, are representing Uruguay at the meeting. [Text] [Montevideo Radio Carve in Spanish 0000 GMT 8 Oct 85 PY]

INCOME, UNEMPLOYMENT STATISTICS -- Real salaries increased 5.71 percent in July 1985. The National Statistics and Census Agency has reported that purchasing power has amounted to 13.19 percent during the first 7 months of 1985. It has also reported that the unemployment rate dropped slightly during June, July, and August 1985 to 13.34 percent of the actively working population. [Text] [Montevideo Radio El Espectador Network in Spanish 1000 GMT 26 Sep 85 PY]

GOVERNMENT TO LEAVE CHARGE D'AFFAIRES IN PANAMA

PA091400 Caracas EL UNIVERSAL in Spanish 1 Oct 85 p 1

[Text] It has been learned from official sources that Venezuela will leave only a charge d'affaires in Panama because it considers the resignation of President Nicolas Ardito Barletta, as a result of military pressures, very lamentable. Ardito Barletta was Panamanian president for 11 months and in his resignation speech he said he was leaving due to military pressures and the lack of political support.

ECUADOR-NICARAGUA BREAK NOT TO HURT CONTADORA

PA130102 Paris AFP in Spanish 2306 GMT 12 Oct 85

[Excerpts] Caracas, 12 Oct (AFP) -- Today Deputy Foreign Minister Cesareo Espinal Vasquez denied that the broken off diplomatic relations between Ecuador and Nicaragua will hinder the peace process for Central America initiated by the Contadora Group (Colombia, Mexico, Panama, and Venezuela) "No. Undoubtedly, no," he answered when questioned regarding the situation. "The Contadora process has very well-established bases, and it has had worldwide support. I believe that Contadora is playing and will play a very important role vis-a-vis Central America's problems," he added. The deputy foreign minister said: "It is regrettable when diplomatic relations are broken, but all countries are free to establish their international relations."

LUSINCHI PROMISES TO CONFRONT ELN THREAT

PA120453 Paris AFP in Spanish 0232 GMT 12 Oct 85

[Text] San Cristobal, Venezuela, 11 Oct (AFP) -- Venezuelan President Jaime Lusinchi said here today: We are ready to confront any threat or provocation (by Colombia's Army of National Liberation) [ELN]. In a letter delivered to the Venezuelan consul to Cucuta in Colombia, the ELN rebels threatened to use Venezuelan territory as a "free zone" or theater of operations for their guerrilla activities if the Venezuelan military turn over to Colombia the rebels captured on the Venezuelan side of the border. Lusinchi is paying a 3-day visit to this Colombian-Venezuelan area, 850 km from Caracas, where clashes between guerrillas and the Colombian army frequently take place. Two years ago, a Venezuelan National Guard post in the Cutufi area, near the Colombian border, was attacked by ELN members.

PDVSA INCREASES PRICES OF LIGHT OIL EXPORTS

PA130318 Caracas EL NACIONAL in Spanish 4 Oct 85 p A-1

[Text] As of tomorrow, Venezuelan Petroleum, Inc. [PDVSA] will increase the prices of the main light oil exports, in an adjustment to the conditions of the market, which has improved for light oil products. This is the second time the prices of light oil products have been increased in less than 1 month. PDVSA announced the decision in a brief message, the text of which follows: "Venezuelan Petroleum has announced that effective 4 October, the prices of its products will be increased as follows: Propane will increase $15 per metric ton; butane and isobutane will increase $20 per metric ton; gasoline and high octane components will increase by $0.84 per barrel; naphthas by $0.21 per barrel; distillates by $1.68 per barrel, and vacuum-distilled gas-oils by $0.42 per barrel. The export products whose prices have been increased currently average approximately 400,000 barrels daily. This price increase is part of the strengthening of the market for light products in general."

CHIEF OF STAFF ANSWERS U.S. JOURNALISTS

PA110438 Panama City LA ESTRELLA DE PANAMA in Spanish 10 Oct 85 p 1

["Telex" sent by Colonel Roberto Diaz Herrera, chief of staff of the Panamanian Defense Forces, to Robert P. Clark, president of the American Society of Editors, and Barbara Koeppel, executive director of the Committee for the Protection of Journalists and News Media of New York -- date not given]

[Text] In response to a telex sent to the Panamanian Defense Forces command, and on behalf of our General Staff, I hereby advise you:

The Defense Forces exist within the framework of the Constitution and bylaws of the Republic of Panama, a sovereign and independent country where -- and this is a unique occurrence on the Central American isthmus -- there is a climate of social peace and respect. Toward this end, the Defense Forces' contribution has been evident because they are involved, not only in the vigilance of the nation's borders and in keeping public order, but in national development within a legal framework as well.

Therefore, since they abide by the Constitution that rules in our state, the Panamanian Defense Forces do not have any plans against any press organ or journalist, except for legal orders expressed and issued by competent authorities, based on a previous trial or procedure, as established by the legal norms of a modern state.

Yours truly,
Roberto Diaz Herrera, Chief of Staff of the Panamanian Defense Forces

The document bears the seal of the Chief of Staff office. Carbon copies have been sent to all diplomatic missions accredited in the Republic of Panama.

FOREIGN MINISTRY ON SHOOTING AT CHILEAN EMBASSY

PA151543 Panama City LA ESTRELLA DE PANAMA in Spanish 15 Oct 85

["News Bulletin" issued by Panama's Foreign Ministry in Panama City, date not given]

[Text] Panama's foreign minister reports the following:

At noon, 14 October 1985 there was a regrettable incident at the offices of the Chilean Embassy accredited in this country. The incident involved two embassy officials with diplomatic status.

The unexpected incident at the Chilean Embassy occurred when a public security guard who had been assigned to guard the mission temporarily went berserk and apparently shot two diplomatic officials with his regulation gun. Embassy 2d Secretary Raimundo Barros Ramirez was killed and 3d Secretary Miguel Angel Gonzalez Morales is in critical condition. Further, 1st Sergeant Demetrio Rios shot himself in the head with his regulation gun and is in critical condition.

The Foreign Ministry has learned that during the 7 months 1st Sgt Demetrio Rios was assigned to protect the mission, he had earnestly and responsibily fulfilled his duties.

The country's officials have provided all the assistance and cooperation needed to take care of this matter, and will likewise take the appropriate steps to transport the remains of the slain diplomat to his fatherland.

The Foreign Ministry wishes to reiterate the bonds of friendship that unite the governments and peoples of Panama and Chile, as well as its permanent respect for the integrity and the work diplomats accredited in this country perform in accordance with the rules of international law. Likewise, it ensures the sanctity of diplomatic offices and residences as a matter of principle and as an expression of its foreign policy.

CHURCH CALLS 'SPIRITUAL FAST' FOR SPADAFORA

PA130130 Panama City ACAN in Spanish 2331 GMT 12 Oct 85

[Excerpts] Panama City, 12 Oct (ACAN-EFE) -- The Panamanian church has called for a "spiritural fast" to replace the one concluded today by the brother of assassinated guerrilla and former Deputy Minister Hugo Spadafora. The victim's brother, Winston, spent 19 days drinking only water and honey to demand the appointment of an independent special commission to investigate Hugo's death.

Msgr Marcos McGrath, archbishop of Panama, announced today during a news conference held at Winston Spadafora's house that the fasting called by the church is not specifically intended to achieve the appointment of an independent commission. According to McGrath: "It is moral, nonviolent, peaceful pressure so we will not forget, and so that further steps are taken in connection with this case."

The prelate insisted that "formulas must be found and implemented" to resolve Hugo Spadafora's assassination.

The archbishop stressed the existence of "a marked political division which, like a ditch, separates us, as well as an increasing state of decomposition evident in the corruption that currently affects our most cherished structures. We must realize that Panama is sinking dangerously in every aspect," the archbishop warned.

According to McGrath, the church has promised Winston Spadafora that it will replace his protest "with prayer sessions accompanied by fasts." The dates for these actions will be announced shortly.

The archbishop complained that "almost nothing is known" about the investigation of this case, adding that he has indirectly learned that 17 persons, including 6 militarymen, have been interrogated. The prelate asserted: "There will be no peace in Panama until guarantees are given that an investigation is being conducted and annoucements are made on what is being done."

COSTA RICA

MONGE TO 'NORMALIZE' RELATIONS WITH NICARAGUA

PA151848 Madrid EFE in Spanish 1834 GMT 15 Oct 85

[Text] Jerusalem, 15 Oct (EFE) -- Costa Rican President Luis Alberto Monge said today in Jerusalem that his government will normalize its relations with Nicaragua before the end of the year.

"As president of Costa Rica, my responsibility is to do everything possible to reestablish peace in the border region, and that includes the renewal of the dialogue with Nicaragua at the diplomatic level," President Monge told EFE.

EL SALVADOR

DUARTE ON CHILDREN'S DEPARTURE, DIALOGUE STATUS

PA152027 San Salvador Television Educativa in Spanish 1230 GMT 15 Oct 85

[Text] Attention, this is a last-minute report. President Duarte has made statements to the press concerning the departure of his children from the country and the dialogue that was begun with the rebels 1 year ago.

[Begin Duarte recording] This morning I went to Ilopango Airport to bid farewell to my children and grandchildren who were leaving the country. A group of reporters asked me why they were leaving. I told them we had received threats of a second kidnapping, that either one of my children or grandchildren would be kidnapped. Therefore, I decided to adopt this measure to protect them. That is why three of my daughters and the young grandchildren have left. My sons and four of my grandchildren are still in San Salvador; those I can protect.

The reporters also asked me what the kidnapping has meant to me, and what the dialogue at La Palma has meant to me. They asked me if these two were related and if this had any connection with the departure of my children from the country. I told them that there was no relation but that it was important to point out that the terrorists are trying to destabilize the country and particularly produce a confrontation between the various sectors of the government -- civilian, military, and so forth -- in order to destabilize the country and oust the government. The communists are going to find out -- if you listen to Radio Venceremos you will realize this -- that they have done everything they can to destabilize the country and [words indistinct].

Unfortunately, there are some sectors that have not yet understood the position of the communists to this effect and have contributed to the destabilization process. Thus, I think that today, the first anniversary, if you wish to call it that, of the meeting at La Palma, is a good day for meditating on the process of peace in the country. I am committed to this process, to seeking that peace we all cherish; I am seeking through an honest and sincere dialogue [words indistinct]. I am willing to do this, but I am not willing to adopt an attitude of a (?tactical) dialogue in which the most important aspect is to create rancor, to be thinking of deaths and kidnappings and destabilization. Those who think that way do not realize the great harm they are inflicting on the Salvadoran people, but I was elected president precisely to fight against that and to try to make the entire country willing to work and achieve peace. We are all seeking peace. We all want peace. [end recording]

Rivera y Damas Meets Guerrillas

PA152006 San Salvador Canal Doce Television in Spanish 0300 GMT 15 Oct 85

[Carlos Armando Rivera report]

[Text] Msgr Gregorio Rosas Chavez, auxiliary archbishop of San Salvador, hosted a news conference today to report on a meeting Msgr Rivera y Damas held with the guerrillas last Saturday and on the subject of the dialogue meeting that was held 1 year ago today. A top representative of the Catholic Church met this weekend with the leaders of the guerrillas in Chalatenango Department in order to discuss the release of Ines Guadalupe Duarte Duran, and it was reported that the rebels have submitted evidence to prove she is in good health. Msgr Gregorio Rosas Chavez made the announcement. The religious leader added that Archbishop Arturo Rivera y Damas held a meeting on Saturday with members of the FMLN leadership also to discuss the issue of the kidnapped mayors. Bishop Rosas Chavez did not assert that the FMLN is holding the president's daughter, but he said that the guerrillas presented evidence that Ines Guadalupe is in good health.

[Begin Rosas Chavez recording] Naturally, the archbishop went to Chalatenango specifically to see Ines Guadalupe Duarte and Ana Cecilia Villeda personally. He was unable to see them, but he was given guarantees that both are in good health. The archbishop met with leaders of the FPL [People's Liberation Forces], which first of all does not mean that the FPL captured Ines Guadalupe. In the second place, he does not know where Ines Guadalupe is. He cannot state categorically where she is. He only received guarantees that she is in good health but was unable to see her personally. He was shown evidence that she is all right. It can also be said that the action was initially carried out by a band, but it is now being handled, at this stage of the negotiations, at a higher level. [end recording]

The guerrillas have criticized Bishop Rosas Chavez for siding with the established system and have excluded him from participating in any mediation of the Salvadoran conflict. Regarding this, Bishop Rosas Chavez said:

[Begin recording] I am not aware of those statements, and I am going to avoid falling into the polemic, because it is a very delicate issue. It would be very dangerous to enter into a polemic, which in the long run would worsen things. We are already used to this type of situation and to remaining calm. The important thing is for these matters to be solved in a civilized manner, and not through violent means. This job is difficult, and there are always problems, but this should not discourage us. [end recording]

Concerning the peace talks that began 1 year ago at Ayagualo and La Palma, political sources believe that these talks are at a standstill and there is little hope they will be resumed.

FMLN Reportedly Claims Kidnapping

PA152318 Panama City ACAN in Spanish 2237 GMT 15 Oct 85

[Excerpts] San Calvador, 15 Oct (ACAN-EFE) -- Salvadoran Archbishop Arturo Rivera y Damas has met with leaders of the Salvadoran guerrillas to mediate in the kidnapping of the daughter of Salvadoran President Jose Napoleon Duarte, it was learned today. Gregorio Rosas Chavez, auxiliary bishop of this capital, reported today that last Sunday Rivera y Damas travelled to Chalatenango in the northern region of El Salvador to talk to guerrilla leaders about the kidnapping of Ines Guadalupe Duarte, who has been missing for more than 1 month.

The prelate said that the FMLN admitted to the church that it was responsible for kidnapping Duarte's daughter. However, official sources told the press today that the negotiations to obtain the release of the Salvadoran president's daughter remain paralyzed. Salvadoran Culture and Communications Minister Julio Adolfo Rey Prendes stated that "things are exactly the same as they were last week" and that the government does not know "clearly" what the kidnappers want.

According to the official source Archbishop Rivera y Damas may have met with Leonel Gonzalez, first in command of the People's Liberation Forces (FPL), who is also member of the FMLN General Command, but he did not reveal the results of the meeting. For their part, the guerrillas have not claimed responsibility publicly for kidnapping the daughter of President Duarte.

Clarification Expected in 24 Hours

PA152019 San Salvador Radio Cadena YSU Network in Spanish 1951 GMT 15 Oct 85

[Report by YSU correspondent Carlos Mario Marquez]

[Excerpts] In next 24 hours the situation regarding the kidnapping of Ines Guadalupe Duarte Duran will become more clear, well-informed sources revealed today. In recent hours the Salvadoran Catholic Church began actions inside and outside the country to try to resolve this kidnapping that has gone on for over 34 days, since 10 September.

It has been learned that San Salvador's Archbishop Msgr Arturo Rivera y Damas met this weekend in northern Chalatenango Department with guerrilla commander Leonel Gonzalez to speak with him about the situation the president's family is enduring and about the kidnapped mayors, who have had no contact with their relatives.

It was also learned today at noon that several foreign officials, such as Social Democrats, have been trying to obtain the release of Ines Guadalupe Duarte and have travelled to Nicaragua and El Salvador. Initially they had gone to Havana. Other news gathered at noon by YSU's news department indicates that tomorrow Foreign Minister Rodolfo Castillo Claramount and Culture and Communications Minister Julio Adolfo Rey Prendes will travel to Guatemala. They will meet there with Vinicio Cerezo, top Christian Democratic Party leader in Guatemala.

MNR, MPSC PROPOSE RESUMING DIALOGUE IMMEDIATELY

PA152110 Paris AFP in Spanish 2010 GMT 15 Oct 85

[Text] San Salvador, 15 Oct (AFP) -- The Salvadoran opposition asked the Napoleon Duarte government today to resume immediately the dialogue begun 1 year ago at La Palma, Chalatenango, and proposed a moratorium on the importation of weapons. The proposal was made by the National Revolutionary Movement (MNR, Social Democrat) and the Social Christian People's Movement (MPSC), members of the Revolutionary Democratic Front (FDR), in a statement distributed today on the occasion of the first anniversary of the "La Palma dialogue."

The declaration says that although "Duarte has avoided returning to the conversation table," ignoring our specific proposals to this effect presented by the FDR-FMLN, "the dialogue and negotiations are more important today than ever before" to finding a political solution to the Salvadoran conflict.

To this effect, the MPSC and the MNR (the latter led by Guillermo Ungo) proposed that the Duarte government and the FDR-FMLN "assume as irreversible decisions" the agreements achieved 1 year ago at La Palma, which were later complemented in Ayagualo. The two opposition groups said that these are extremely important to implement, especially the agreements on the exchange of prisoners and the treatment of those crippled by war.

In order to reaffirm the will to hold a dialogue -- the MNR-MPSC said -- it is necessary that, in addition to resuming the dialogue, the Salvadoran Government and guerrillas negotiate "a moratorium on weapons for a certain period of time" so that neither the Armed Forces nor the FMLN receive arms or ammunition from abroad.

Also, it proposes an agreement to put an end to the disappearance of labor leaders, the forced evacuation of peasants, and the kidnapping of civilians "as an immediate expression of the will to reach peace with freedom for all Salvadorans."

"We believe that on this basis we can resume the path which was begun 1 year ago at La Palma," concluded the letter of the MNR and the MPSC that warns that the Salvadoran war "is expanding and getting worse at each turn." The proposal insists, however, that President Reagan "has imposed" prolonging the war, as it entails "preserving the imperial prestige of his government."

EXCELSIOR INTERVIEWS UNGO ON U.S., CONTADORA

PA110139 Mexico City EXCELSIOR in Spanish 7 Oct 85 p 27a

[Report on interview with Guillermo Manuel Ungo, president of the FDR and chairman of the diplomatic policy committee of the FMLN-FDR, by Felicitas Pliego -- date and place not given]

[Text] "Contadora has had little to do with El Salvador. My country has been of almost no concern on the group's agenda," said the president of the diplomatic policy committee of the FMLN-FDR, Guillermo Manuel Ungo, when asked if he considered the appointment of a Mexican ambassador to El Salvador beneficial to the peace efforts on the isthmus.

The 45-day session of the plenipotentiaries of the Contadora Group -- the deputy foreign ministers -- and of the Central American countries began today in Panama to discuss the pending aspects of the document related to the chapters on control and reduction of arms, mechanisms of implementation, and followup on matters of security, political affairs, and military maneuvers.

The Salvadoran insurgent movement has always expressed the but in Central America there cannot be a stable, lasting peace if the problem of our country is not solved. [sentence as published] If, as is expected with some optimism, all the pending issues are discussed within the above-mentioned final unpostponable term, if the way is opened for convoking a new meeting of foreign ministers and if the document is signed before the end of the year, then Contadora will have had little affect on the Salvadoran conflict.

Meanwhile, Ungo commented, the United States has passed the Salvadoran case on to a secondary level in order to prevent being hindered in its plans and to avoid opposition and pressure on the military escalation in that country. Besides, an attrition-type war is not big news to the media, which generally looks for spectacular stories, he said.

Affirming that Washington will not achieve a military victory over the FMLN unless it decides on an invasion, he stressed that in El Salvador the guerrillas and the Army have reached a "stalemate."

That can only be said if things are seen from a static viewpoint. But if seen from a dynamic viewpoint -- if the film is run ahead -- then it appears that the rebels are ahead.

He commented: "The United States thrives on illusions and continues to believe its own propaganda that a military victory must come before a surrender can be negotiated. If it thought there was a stalemate, that there could not be a solution to the conflict, then it would be more interested in the process of dialogue and negotiations. We want to create that condition, but unfortunately that cannot be done quickly and without costs."

Ungo said that the FDR-FMLN hopes that President Duarte will renew his offer to talk to the guerrillas in October -- a year after he first made that offer at the UN General Assembly. Moreover, he stressed that the kidnapping of the president's daughter, Ines Duarte, does not have to affect the possibilities for a dialogue adversely, since that is the only path for El Salvador and there is no room for other arguments.

Ungo said that Central America remains a complex area; war winds are raging on the isthmus. I think the situation is growing more complex and difficult, but chiefly for the Reagan administration, he said. In general terms we are doing well: The Salvadoran Army and Government are gradually deteriorating in economic, political, and military terms, thus leading Washington's strategies to fail so that sooner or later it will have to realize that its propaganda is just a mask, Ungo stated.

He added: When the mask falls, the United States will discover that the crisis is even deeper and that it cannot be solved through military means -- unless the U.S. decides to become more deeply involved, with its own resources, unless it decides to invade. There is no stalemate in El Salvador; instead there is a situation that has not been defined, and that cannot happen in a short term because of the United States' presence there. However, in the medium term, the situation is favorable to the guerrillas, he concluded.

After reiterating that the Reagan administration believes its own propaganda -- "We think that now they should believe less than they did 2 months ago" -- and that it does not want to realize that the Army has shown that it no longer has the capability to grow, that it barely fulfills the need for replacement, and that it is wearing out more all the time, he said it is interesting that Duarte has recognized that the Salvadoran economy is an economy of war and that his country cannot be ruled without a solution to the conflict.

Naturally he [Duarte] believes that the Army can achieve military victory over the FMLN, that is what they have told Reagan and the military High Command, but when they realize that the situation is not as they think, they will have to resort -- the United States says that the situation might be defined after 1985, or at least not this year -- while the dialogue continues at a standstill: Duarte has not wanted to resume the dialogue, not fulfilling his own promise; he has said that the time is not proper now, but rather in October, and there is no reason for that, he said. [sentence as published]

He added that in October it will be 1 year since the dialogue at La Palma, and Duarte "is going to have to come up with something, with some irresponsible and not very serious proposal, like the one last year...We were the ones who made a serious proposal, who assumed the responsibility and generated possible conditions for such a proposal, which Duarte had not given..."

We are expecting once again "a clownish proposal, wild west style," such as the one last year, designed in such a way that we will reject it or so that we will not attend. Duarte is going to have to give signals, however artificial, that he is willing to go ahead with the dialogue, using it in order to cover the continuation...we are interested in resuming the dialogue that Duarte interrupted, and we have had direct contact with the middleman." [Quotation marks as published]

Concerning Mexico's appointment of an ambassador to El Salvador, he emphasized that if this does not change the foreign policy of our country, he sees it as all right: "It is a presence of greater importance," and all the publicity stunts that Duarte might want to pull will fall on their own; the expressions and behavior of the Mexican Government will indicate if there is change or not. One must wait and watch, particularly his actions at the United Nations, in matters such as human rights, he said.

Meanwhile, Mexico and France have always maintained diplomatic relations with the Salvadoran Government, and the other three countries of the Contadora Group always had ambassadors in San Salvador.

He pointed out that Mexico's position in the Salvadoran case would be within the context of the Mexican-French communique, and although he admitted that this declaration has already served its purpose, he emphasized that it is still valid for the sake of reference.

In the diplomatic circles of this city it was said that the Mexican charge d'affaires in El Salvador, Fernando Escamilla, played a very important role of mediation between the guerrillas and the government of that country, particularly referring to the exchange of sick prisoners -- "in certain cases" -- and that he had too much to do. Therefore, it was said, an ambassador was appointed.

It as also said among the same circles that perhaps it would have been more advisable to have made that appointment last year, when Duarte offered dialogue to the rebels -- in order to emphasize the validity of the Mexican-French communique -- and not now, when it is inactive and there are no chances of resuming it in the near future. Mexico could have recalled its ambassador for consultations when the dialogue was interrupted.

ELECTRICITY TO BE RATIONED DUE TO SABOTAGE

PA120415 Panama City ACAN in Spanish 2153 GMT 11 Oct 85

[By Pablo Antonio Ayala]

[Text] San Salvador, 10 Oct (ACAN-EFE) -- El Salvador's major electricity company announced today that it will ration electricity throughout the country due to recent sabotage by the rebels. Today a spokesman for the Lempa River Hydroelectric Executive Commission (CEL) told ACAN-EFE that the FMLN has destroyed 28 towers which held main lines, mostly in the northern and eastern zones.

CEL Executive Director Francisco Granadino said that as a result of the rebel attacks on 8 and 9 October, CEL lost over 1.5 colones ($600,000). He added that the damage caused by FMLN columns to the power transmission lines and the destruction of towers and pylons have forced nationwide rationing of electricity because total production has dropped by 20 percent.

The rebel sabotage left four main transmission lines out of service, which has directly affected the metropolitan area. The rebels have also interrupted electricity service to the country's eastern region. According to CEL, the San Salvador metropolitan zone that was affected is being supplied through emergency plants at a daily cost to the government of 400,000 colones ($160,000).

Official reports indicate that the guerrillas have recently increased the destruction of towers and pylons of the national electricity network at various points throughout the country. Last night eight pylons located in areas between eastern Morazan and La Union Departments were destroyed, and vast sectors of that zone were left without electricity, according to municipal spokesmen for those sectors.

According to the clandestine radio station "Venceremos," in the past 2 days other pylons were destroyed in areas located in western San Miguel Department, as well as in central Cabanas and San Salvador Departments.

Each tower the guerrillas destroy costs the government 15,000 colones ($6,000), and each pylon costs 5,000 colones ($2,000).

FMLN units last night dynamited the Anamoros telecommunications office, 191 km east of the capital city.

HONDURAS

U.S. SHIPMENT TO ANTI-SANDINISTS REPORTEDLY SEIZED

PA152302 Tegucigalpa Radio America in Spanish 2223 GMT 15 Oct 85

[Text] Tegucigalpa -- The Honduran authorities have confiscated a shipment from the U.S. Government within the framework of its humanitarian assistance program to the anti-Sandinist forces, according to unofficial sources.

According to the report, the shipment supposedly consisting of some 14 tons of medicine was being transported by a cargo plane chartered by the Nicaraguan Democratic Force, FDN, which landed at Tonkontin airport Monday. However, the Honduran authorities confiscated the shipment and held the aircraft under custody. The plane was also carrying several newspapermen.

A military source, approached by AFP, neither confirmed nor denied the information, and only said that the information would be verified within the next few hours.

According to unofficial information, FDN leaders in Tegucigalpa are trying to obtain the release of the shipment from the authorities.

SANDINIST ARMY RAIDS BORDER POST 14 OCTOBER

PA152248 Tegucigalpa Radio America in Spanish 2207 GMT 15 Oct 85

[Text] A new Sandinist aggression has taken place at Duyusupo, San Marcos de Colon jurisdiction, and a Honduran soldier was wounded. The Sandinist Army penetrated 300 meters into our territory.

[Begin recording by unidentified reporter] The Sandinists have again violated our territorial integrity. Last night, at 2100 in the place called Duyusupo, a post which our Army maintains on the border with Nicaragua was attacked by Sandinists who penetrated 300 meters into our territory. The Sandinists are constantly spying on our Army. On this occasion Private Francisco Javeir Gutierrez, who was guarding the military post, was wounded in the hand.

The Sandinists are constantly spying on the Honduran Army and people, perhaps because they are constantly afraid or perhaps because they want to provoke a war. Our soldiers have instructions not to reply to these aggressions, according to top-level orders; however, given this order, the brothers who defend our border are sacrificed. [end recording]

NICARAGUA

DANIEL ORTEGA ANNOUNCES STATE OF EMERGENCY

PA160329 Managua International Service in Spanish 0234 GMT 16 Oct 85

[Speech by President Commander of the Revolution Daniel Ortega Saavedra; broadcast in progress; place and date not given -- live or recorded]

[Text] ...The U.S. Government, against the expressed will of the majority of the governments and peoples of the world and against international law, has continued to develop its unfair, immoral, and illegal aggression against the Nicaraguan people and their legitimate revolutionary government. All the political and diplomatic efforts carried out by the Nicaraguan Government, by the countries that form the Contadora Group, and by other peace loving countries, have been unsuccessful in changing this criminal and aggressive policy of the U.S. Government.

Far from changing its terrorist conduct, the United States continues to increase it without hiding its final objective -- to destroy the government chosen by the Nicaraguan people and trample on our sacred right to independence and self-determination. A complete arsenal of terrorist weapons have been used by the U.S. Government against the heroic and worthy people of Nicaragua.

A mercenary war has been imposed on us; a war financed, organized, and directed by the U.S. Government while U.S. troops and warships, in constant maneuvers and deployment around Nicaragua, constantly threaten us with a direct military intervention. The U.S. State Department openly sabotages our efforts before the international banking organizations. The threats, the false propaganda, and the political campaign to frighten, discredit, and isolate our homeland have not stopped for a minute. A criminal trade embargo has been imposed on us by the United States that further worsens the already difficult living standards of the Nicaraguan people in an attempt to force them to give up, because of hunger, their will for independence and freedom.

Despite this brutal aggression, the people of Nicaragua stand firm, and the Sandinist people's revolution advances. We have paid and continue to pay a high price for this. Thousands of patriots have given their valuable and irrecoverable lives fighting or have been murdered in the defense of the homeland.

Tens upon thousands of families have been forced to leave their land and homes. Huge amounts must be used for defense, thereby affecting production, consumption, and civilian investments. Hundreds of million of dollars in property and production have been destroyed by the direct action of the mercenary groups and CIA sabotage.

All these factors, the trade embargo, and the economic crisis that is affecting the developing countries have seriously affected the production and standards of living of our people. When all the patriotic sectors of the country are getting ready for new tours of voluntary work to pick coffee, cotton, and cut the sugarcane; when the government, amid the difficulties, is putting forth efforts to lower the price of the basic products that are distributed to the workers through the Rural Supply Centers [CAR] and other state supply centers thus firmly fighting the criminal speculation; when the agrarian reform projects are being increased for the peasants to own their own land and produce the necessary food; when the mercenary army, main instrument of the imperialist aggression has been seriously affected by the people and shows signs of its demoralization and defeat; precisely under these circumstances, the U.S. Government attempts to repair its weakened mercenary army and carry out other aggressive actions against the people and government of Nicaragua.

The $27 million are being distributed to the mercenaries while they also supply them with weapons and all types of military equipment. Sabotage actions get underway again against the efforts of the Contadora Group which is trying to reach a just and balanced agreement in Central America.

The U.S. State Department officials announce new aggressive actions against our people. The border provocations continue while new and more dangerous acts of aggression are being prepared. To support this terrorist policy of the U.S. rulers inside our country, the allies -- the agents of imperialism who are acting through some political parties, through some communications media or religious organizations -- in the face of the weakening of the military apparatus of the imperialist aggressions, redouble their actions to sabotage the efforts of the military defense of the fatherland. They hinder the economic policies, sabotage the national efforts to increase production, and provoke confusion and discontent among the people.

The government and the heroic people of Sandino cannot allow this sabotage and political destabilization directed by the U.S. Government to continue to develop with impunity. The brutal aggression of the United States and of its internal allies has created a truly extraordinary situation. All efforts of the government and people should seek to defeat this aggression in the military, political, and economic fields. The life of the people and the defense of the national sovereignty demands this from us.

Therefore, the government of the Republic of Nicaragua announces the following decree:

[Unidentified announcer] State of National Emergency:

Article 1 -- the rights and guarantees provided for in Articles 8, 11, 13, 15, 17, Paragraph 2; 18, 20, 21, 23, 24, 31, 32, and 50 of Decree Number 52 dated 21 August 1979 and its amendments are suspended throughout the national territory.

Article 2 -- The present suspension of rights and guarantees is for the period of 1 year.

Article 3 -- This decree supersedes Decree Number 79 of 19 April 1985 [date as heard] and will be effective as of its announcement through any media, regardless of the date of its future publication in the Official Gazette.

Issued in the city of Managua on 15 October.

[Signed] Daniel Ortega Saavedra, president of the Republic.

ORTEGA COMPLAINS OF U.S. DELAY IN GRANTING VISA

PA130310 Paris AFP in Spanish 2015 GMT 12 Oct 85

[Text] Managua, 12 Oct (AFP) -- President Daniel Ortega charged today that Washington is "delaying" the granting of a visa for him to travel to the United States on 24 October to appear at the United Nations. In statements to the press, the president said that the State Department is also delaying the granting of an entry visa to the Sandinist government's support team, which should already be in New York making the final arrangements for Ortega's visit. The Nicaraguan Foreign Ministry submitted the application for Ortega's visa to the U.S. Embassy in Managua on Tuesday, but no response had been received as of this weekend.

After visiting the United Nations, Ortega plans to visit eight states of the United States in response to invitations from political leaders and universities.

Other Sandinist leaders have been unable to travel to the United States on previous occasions because the Reagan administration has refused to grant them entry visas.

Informs Perez de Cuellar

PA151923 Managua Radio Noticias in Spanish 1200 GMT 15 Oct 85

[Excerpt] The Nicaraguan Government has informed UN Secretary General Javier Perez de Cuellar about the U.S. State Department's delay in granting a visa to President Daniel Ortega, who is scheduled to appear next week before the 40th General Assembly of that extremely important world organization.

Manuel Espinoza Henriquez, information and press director of the presidency, confirmed last night to BARRICADA that the same notice has been sent to the Nicaraguan Embassy in WAshington and to the U.S. personalities who are waiting for Commander Ortega in several cities of 10 states of the United States.

CUADRA ON POSSIBLE HONDURAN BORDER OFFENSIVE

PY150213 Paris AFP in Spanish 0104 GMT 15 Oct 85

[By Arturo Gudino]

[Text] Managua, 14 Oct (AFP) -- Deputy Defense Minister Joaquin Cuadra has stated that the rebel forces have been strategically defeated by the Sandinist Army which is now on the offensive on all fronts.

Cuadra told foreign journalists today that the guerrillas started to fall apart in 1984, a decisive year during which they were unable to fulfill the objectives which the U.S. Central Intelligence Agency established for them.

The Sandinist leader added that nevertheless, approximately 7,000 rebels are currently carrying out a plan designed to take over Esteli, a strategic city 140 km north of Managua, and control a portion of the Pan-American Highway, the nations' most important road. Cuadra explained that the rebels will try to stage an improved version of the offensive they launched 2 months ago near Esteli. He acknowledged that that operation was very daring, although in the end of the rebels received a severe blow.

Cuadra indicated that in order to carry out this operation some 4,500 guerrillas have gone into action in the northern and central regions of Jinotega Department in the north and Chontales and Boaco Departments in central Nicaragua, trying to divide the Sandinist Army. Once this is accomplished, 2,500 rebels currently stationed on Honduran territory will move toward Esteli trying to occupy this city.

Cuadra emphasized, however, that this plan is already being neutralized because the Sandinist Army is inflicting severe blows to the rebels operating in Boaco, Chontales and Esteli, and forecast violent clashes along the Honduran border in the coming days.

He did not rule out the possibility of military clashes with the Honduran Army which he accused of being the baby-sitter of the mercenaries, President Reagan's children.

According to Cuadra, under the pretext of a possible Nicaraguan invasion of Honduras, the latter's Army has stationed along its border with Nicaragua the 4th, 6th, 9th and 11th Infantry Battalions, the 3rd and 4th Artillery Batallions, and several armored units.

Cuadra reiterated that the threat of a U.S. intervention increases with every blow that the rebels receive reducing their operational capacity to small-scale, mainly terrorist, actions.

In view of this situation, the defense deputy minister said, the Sandinist government does not plan to give up any arms purchases but will rather try to get everything it can. He warned that we have not set any limit for this process of arming ourselves for defense and indicated that approximately 200,000 Nicaraguans have a combat weapon.

Speaking about the $27 million that the rebels are now receiving from the United States, Cuadra stated that not even $100 million will prevent the defeat of the mercenaries. The medicine has arrived too late, the Sandinist said. He explained that in 1984 the Reagan administration instructed the guerrillas to liberate territories, develop a domestic front, broaden the combat area and achieve considerable military growth. He said that none of these objectives have been fulfilled. He went on to say that at this time the rebels do not have more combatants although the Reagan administration wanted them to have 30,000 men in 1985.

Cuadra added that Eden Pastora's Democratic Revolutionary Alliance (ARDE) has been virtually defeated since the Sandinist Army conducted a vast operation along the border San Juan River some 3 months ago. However, according to Cuadra, the Nicaraguan Democratic Force (FDN) that traditionally conducts its operations in the north, has managed to recruit some 500 members of ARDE who are stationed on Costa Rican territory near the border.

MEMBERSHIP IN CONTADORA SUPPORT GROUP ACCEPTED

PA120247 Madrid EFE in Spanish 0159 GMT 12 Oct 85

[Text] Santo Domingo, 11 Oct (EFE) -- The Dominican Republic has communicated to the countries connected with the efforts to establish peace in Central America that it has joined the group of four countries of the region that support the Contadora Group.

The Dominican Republic was included on an initiative from Costa Rica, El Salvador, and Honduras, which also proposed Ecuador, during a meeting of foreign ministers at the United Nations. The proposal was approved by Venezuelan President Jaime Lusinchi and Colombian Foreign Minister Augusto Ramirez Ocampo. Both Venezuela and Colombia are members of the Contadora Group, along with Panama and Mexico. The support group is now made up of Brazil, Argentina, Uruguay, Peru, Ecuador [as received], and the Dominican Republic.

The Dominican Foreign Ministry told EFE that last week it summoned the Mexican, Venezuelan, Colombian, Panamanian, Argentine, Brazilian, Uruguayan, and Peruvian ambassadors accredited to Santo Domingo to inform them about the position of President Salvador Jorge Blanco's administration on the inclusion of the Dominican Republic into the support group together with Ecuador.

In this regard, a communique sent to EFE states that the Dominican Republic wishes to express its readiness to contribute to the efforts of the support group by joining this momentous Latin American effort.

At the United Nations, Dominican Foreign Minister Jose Augusto Vega Imbert met with the Venezuelan, Argentine, and Guatemalan foreign ministers to exchange views on the proposal to include the Dominican Republic in the group. He also contacted the ambassadors of other countries involved in the Central American conflict.

The Foreign Ministry recalled that on 16 August 1982, the date of his inauguration, President Blanco proclaimed his policy of searching for peace in Central America through negotiated formulas and expressed his conviction that the Caribbean area must be an area of peace.

MILITARY 'WATCHING' EAST BLOC-TRAINED AGENTS

FL141932 Bonaire Trans World Radio in English 1130 GMT 14 Oct 85

[Text] The Dominican Republic's top military officers say they will fight drug smuggling, support democracy, guarantee the Constitution,and keep a watch on foreign agents. In an unusual joint statement on television and radio, the Dominican Republic's high command said Dominican citizens have been trained in Libya, El Salvador, Cambodia, Vietnam, the Soviet Union, and Bulgaria to undermine the nation's democracy. The high command says they are being watched.

ANTIGUA AND BARBUDA

U.S. TO HELP ESTABLISH NARCOTICS SQUAD

FL091530 Bridgetown CANA in English 1430 GMT 9 Oct 85

[Text] St Johns Oct 9, CANA -- Antigua and Barbuda Acting Prime Minister Lester Bird has announced that the government, with United States' help, will be establishing a special narcotics squad within the police force. In order to give full support to the special squad, he said, the government had invited the United States Drug Enforcement Agency (DEA) to come to Antigua and Barbuda to help mount a complete investigation into drug trafficking. Bird said the decision comes out of increasing reports of the spread of illegal drugs in the country.

He stated that the government intended to deal firmly with this matter and warned drug traffickers that steps will be taken to mete out harsh penalties to offenders. Bird said that drug traffickers will not be allowed to ruin the lives of young people in Antigua and Barbuda, nor will they be permitted to use the country as a transit point for the movement of drugs to other countries. Bird said that Antigua and Barbuda must be safe for our children to grow and develop in a healthy environment, and an end must be put to those who would seek to grow rich by polluting the country.

DOMINICA

WORLD BANK EXTENDS ACCESS TO SPECIAL FUNDS

FL101520 Bridgetown CANA in English 2155 GMT 9 Oct 85

[Text] Roseau, Oct 9, CANA -- Dominica said today the World Bank had agreed to an interim arrangement through which the island and other member states of the Organisation of Eastern Caribbean States (OECS) will have continued access to its special funds. Acting Prime Minister Brian Alleyne told reporters the bank's decision to reverse its earlier proposal to declare Dominica and other OECS countries ineligible for borrowing from its soft window -- the International Development Association -- had been taken during the Bank's annual meeting in South Korea. It is now agreed that an interim arrangement will be made which will give Dominica and other OECS countries continued access to special funds, Alleyne said. Alleyne said Dominica believed the World Bank's change of heart may have been at least partially due to a forthright speech made by Jamaica's Prime Minister Edward Seaga, who spoke on behalf of the Caribbean during the meeting and made a significant plea...in successfully swinging opinion and the decision in favour of the OECS states.

Dominica had said that the earlier decision of the World Bank, based on the rising per capita income of the island states, came at a time when the country was in most need of concessional aid to support the structural changes. It also said the decision meant that while OECS countries were being forced out of the concessional aid, they were being considered not credit worthy for non-concessional aid. Alleyne gave no indication of what new arrangements had been worked out with the World Bank.

Dominica is being represented at the meeting by Prime Minister Eugenia Charles.

HAITI

SOLDIERS CLASH WITH REBELS IN PORT AU PRINCE SUBURB

FL101444 Bonaire Trans World Radio in English 1130 GMT 10 Oct 85

[Text] Government sources in Haiti say soldiers in three army vehicles clashed with rebels in a densely populated suburb of Port au Prince. One soldier was wounded and four insurgents were captured. The confrontation [words indistinct] came 5 days after former Interior Minister Roger Lafontant was expelled, and there were rumors he had instigated the apparent rebellion. The sources said soldiers traveling in three Army vehicles and armed with submachineguns opened fire on a group of insurgents in the suburb of (Huani) on the outskirts of Port au Prince. The insurgents returned fire, wounding one soldier. Four people were captured and two fled. Sources say the group had been under surveillance for some time by police and was suspected of preparing a coup against President-for-Life Jean-Claude Duvalier.

JAMAICA

ECONOMY TO DECLINE 3 PERCENT IN 1985

FL111418 Bonaire Trans World Radio in English 1130 GMT 11 Oct 85

[Text] Jamaican Prime Minister Edward Seaga has voiced strong support for the U.S. plan to boost lending to nations carrying out economic reforms. The Jamaican leader has also complained that the IMF allows countries too little time to implement austerity policies. Mr Seaga confirmed the Jamaican economy will decline by 3 percent this year, but he is predicting a return to growth in 1986. He said this year's decline is due to the collapse of the bauxite industry, which has cost Jamaica $500 million in foreign earnings and cancelled out the gains of the previous 3 years.

ST KITTS AND NEVIS

PRIME MINISTER EMPHASIZES IDA IMPORTANCE

FL101705 Bridgetown CANA in English 2303 GMT 9 Oct 85

[Text] Basseterre, Oct 9, CANA -- St Kitts and Nevis Prime Minister Dr Kennedy Simmonds told the World Bank meeting in South Korea today, that it was important for small island states to continue to benefit from the institution's International Development Agency's (IDA) loan programme. According to a government statement issued here, Prime Minister Simmonds told delegates at the annual meeting of the World Bank, that member countries of the institution should increase the bank's resources, so as to enable it to intensify its efforts in the development of small states.

The prime minister, who spoke on behalf of the Caribbean Community (Caricom), was also of the opinion that the bank's development assistance programme should be increased, in order to enhance its activities. Simmonds, along with other regional leaders, have been expressing concern over the IDA's recent decision to make Caricom countries ineligible for low interest funds because of their relatively high per capita income.

From Seoul, the prime minister, who is being accompanied by Ambassador-at-large Dr William Herbert, will travel to Nassau for the Commonwealth heads of government meeting next week.

ZIMBABWE'S MUGABE BEGINS VISIT, MEETS LEADERS

Meets Prime Minister

MB140652 Harare Domestic Service in English 0600 GMT 14 Oct 85

[Text] The prime minister, Comrade Robert Mugabe, who is on an official visit to Guyana, has reiterated that Zimbabwe cannot submit to nations which seek to use economic might to control its policies. He told students at the national training center in (Timbiye), south of the Guyanese capital, Georgetown, yesterday, that the aid should not carry strings that manipulate recipients as puppets of donor countries.

Comrade Mugabe stressed the nonalignment common stand between Zimbabwe and Guyana, saying this principle was shown when the two countries condemned the United States' invasion of Grenada in 1983. He also outlined the present state of Zimbabwe's economy, which he said is characterized by duality inherited from the colonial powers. He pointed out that since the coming into power of ZANU-PF, the government has spared no effort in redressing this imbalance. The prime minister also spoke of changes that have taken place in education and other spheres.

In a welcoming speech, the Guyanese prime minister, Comrade Hamilton Green, praised Comrade Mugabe as a foremost scholar, a courageous patriot, and a principle revolutionary and statesman. He noted the good relations existing between Zimbabwe and Guyana, adding that relations between his country and ZANU began during the days of Zimbabwe's struggle for independence. Comrade Green reiterated that Guyana's stand on the liberation in South Africa is still fervent.

Earlier in the day, Comrade Mugabe laid a wreath at the liberation monument, which was unveiled in 1974, when the council for Namibia visited that country. On the granite boulder at the monument are engraved the words: More not for us who died, but for our brothers everywhere who live in bondage.

Meets President Hoyte

MB141957 Harare Domestic Service in English 1745 GMT 14 Oct 85

[Text] The prime minister, Comrade Robert Mugabe, has once again been awarded an honor for his untiring efforts in fighting racism and for his stance against South Africa's system of apartheid. President Hoyte of Guyana has presented the prime minister with the Order of Excellence of Guyana. During his visit to Cuba, Comrade Mugabe was awarded the Jose Marti Order.

In a wide-ranging speech at a dinner hosted by the leader of Guyana last night, the prime minister called on the Western powers to impose comprehensive mandatory sanctions against the Pretoria regime. He suggested that such measures, if implemented, should be maintained until the entire edifice of the apartheid system is dismantled. He said the fall of the Portuguese empire and the Ian Smith regime both of which held an unholy alliance with racist South Africa, should be lessons to die-hards in southern Africa.

On international affairs, Comrade Mugabe pointed out that Zimbabwe had pledged to recognize international law and its principles, especially those calling for national integrity, peaceful coexistence, and noninterference in the domestic affairs of sovereign states. The prime minister stressed that it is on this basis that Zimbabwe has denounced threats to Guyana's established borders, as well as the invasion of Grenada in 1983.

MARXIST OPPOSITION LEADER JAGAN INTERVIEWED

FL112335 Bridgetown CANA in English 1947 GMT 11 Oct 85

[Text] Georgetown, Guyana, Oct 11, CANA -- Guyana's parliamentary opposition leader, Dr Cheddi Jagan, says his Marxist People's Progressive Party (PPP) is prepared to make reasonable compromises with the ruling People's National Congress (PNC) to help bring about the formation of a leftist-dominated unity government to tackle the country's economic and social crisis.

Jagan met recently with new President Desmond Hoyte and submitted to him a PPP formula for a national patriotic front government which would also involve the Working People's Alliance (WPA).

Time is running out. I feel that the formal (PPP-PNC) talks should be expedited...I believe that President Hoyte should summon the three political parties -- PPP, PNC, and WPA -- which have admitted a commitment to the goal of socialism, to work out a detailed socialist-oriented action programme and a reasonable power-sharing formula for a national patriotic front government, based on the democratic will of the people, Jagan said in an interview with the PPP-owned MIRROR newspaper.

Asked how serious he was about a dialogue with the ruling party, he said: By God, I want these talks to succeed. If there is no peaceful solution, this nation will simply burst apart.

The following is the full text of the Interview.

Question: You have, Dr Jagan, recently met with Desmond Hoyte face-to-face for the first time in his new capacity as executive president. Your own attitude as the parliamentary opposition leader has been, for quite sometime now, that consultation on constitutional appointments such as the various service commissions were a waste of time, since government always had its way; but yet you decided to see President Hoyte. Were there any immediate and compelling reasons why you did so?

Answer: Yes. I wanted to open the way for dialogue at the highest level. Everything must be done to find a peaceful political solution. In the past, I had found that consultation on the public service commission, police service commission, judicial service commission and so on, were formal, fruitless and a waste of time. I therefore used to write President Burnham saying that since the consultations were merely formal, I did not want to exercise my right to be consulted, and he could go ahead and make the appointments.

This time when I received an invitation from President Desmond Hoyte, I decided to break with the past and see him. Knowing that within a party there are differences in personality traits and style of leadership, our party, the PPP, thought that it was best to open a new chapter in our relations with the leader of the PNC and president of the country, especially in view of is previous remarks about his belief and commitment to a plural political system, the rule of law, no denationalisation, a socialist Guyana and the people's meaningful involvement in national reconstruction and development.

Question: President Hoyte's promise to allow the application of the MIRROR newspaper for a new press and his indication that he wishes cooperation with the PPP seem to indicate an opening for direct dialogue and negotiation with him on the larger question of a peaceful political solution of the crisis in Guyana. What is your comment on this?

Answer: We talked about many issues -- the rice shortage, the foreign exchange crisis, the fuel problem, the half-yearly economic review presented to parliament and a debate on it.

As you know, we have always stated that the many crises facing the country cannot be solved without a resolution of the political crisis. In this context, I gave to him an extract of the Central Committee report to the PPP's 22nd congress held last August, in which was set out the formula for a broad-based national front government of 11 left and democratic forces.

Reference was also made by me to the American constitutional system which might be more suited to our particular situation. In the context of political pluralism and a political solution, I raised also two related issues: licence to the new Guyana company to import an off-set rotary press, which had been denied since 1971; and a PPP public address system which had been seized earlier this year at Bachelor's Adventure. The president said he would approve the licence and would consider the other matters. We agreed to meet regularly to try to resolve problems.

Question: There has been a second round of PPP/PNC interparty preparatory talks, but it seems unlikely that formal talks, if they commence at all, would clear the decks in relation to electoral reforms before the next general elections which are scheduled before the end of March 1986, but which are rumoured might be held in December this year. Do you plan to suggest some mechanism to avert any such deadlock, and is it too soon to say what course the PPP will adopt if these upcoming elections are to be held under the existing unsatisfactory arrangements?

Answer: As you know, I had taken up the matter of electoral reforms with President Hoyte, when he was prime minister. It was agreed that these would be dealt with during the PPP/PNC inter-party talks. For various reasons, the formal talks have not yet started. In view of the fact that time is running out, I feel that the formal talks should be expedited, and socio-economic and political questions including electoral reforms should be discussed simultaneously.

I fear the consequences if the upcoming elections are to be held under the existing unsatisfactory arrangements. This nation will burst apart and this must be avoided at all costs. For our part, we are prepared to make reasonable compromises. If we fail at this critical juncture to include all classes and strata in the process of nation-building and national development, and proceed in the old way, the results will be catastrophic.

I believe that President Hoyte should summon the three political parties -- PPP, PNC and WPA -- which have admitted a commitment to the goal of socialism, to work out a detailed socialist-oriented action programme and a reasonable power-sharing formula for a national patriotic front government, based on the democratic will of the people.

At the same time, provision should be made for the genuine, democratically-run organisations representing the workers, farmers, intelligentsia, church and business to be represented in the legislative process as the national congress of local democratic organs.

Question: The Trade Union Congress [TUC], Dr Jagan, is in a fresh crisis after its 32nd congress had been held hostage, and not permitted to convene, in a manoeuvre to reassert government control over the movement. How do you see the TUC extricating itself from this power struggle vise and playing a meaningful role for national cohesion and social progress.

Answer: The crisis in the TUC cannot be resolved without a political solution. What is necessary at this stage is to stop the wrangling about which side -- pro-government or anti-government forces -- will control the TUC.

The trade union leaders of both sides, keeping patriotic-national rather than partisan political interests in mind, should agree as a priority to struggle with the mobilisation of the workers in general for a political solution.

Question: Your detractors had derogatorily labelled your administration a rice government when you were premier of a pre-independent Guyana. They forced you out, and they have been in now for 21 years, and the country is experiencing its worst rice crisis with falling production and shortage of consumers supplies. What was your magic formula for the era of PPP rice boom, and can you quantify what results could speedily accrue from its implementation even at this late hour?

Answer: The PPP government's magic formula for the rice boom was based on: (1) putting the rice farmers democratically-run Rice Producers Association (RPA) in control of the Guyana Rice Board by increasing their representation from eight to 11 out of 16 members;

2. The rice producers receiving the bulk of the proceeds from the sale of rice directly through fair prices for rice and paddy, and indirectly through subsidies for bags, fertilisers, insecticides, duty-free gasoline, etc;

3. Opening up the state lands which for generations had been bottled up to prevent the migration of workers away from the plantations and the emergence of an independent peasantry;

4. Implementing drainage and irrigation schemes like black bush polder and tapakuma. To bring back the rice boom in this era of improved varieties and greater yields per acre require as the most important ingredient the full recognition of the RPA and placing it as before in control of the Guyana Rice Board.

Question: Do you think that the restoration of democratic control of the rice industry would assist the foreign exchange position of the country to the extent that the re-importation of wheat flour could be realised? And are you saying that the PPP is prepared independently to discuss with government the feasibility of securing supplies of wheat or flour from friendly countries?

Answer: Democratic control of the rice industry can lead to increased production and exports of rice, increased foreign earnings and the re-importation of flour. During the seven-year period of the PPP government, rice production increased by 74 per cent, or 10.6 per cent per year. That rate can be again reached or even surpassed because of improved varieties which have resulted in a 25 per cent increase in yield per acre.

Unfortunately, because of certain adverse factors and farmer alienation, about 36 per cent of the former rice farmers gave up rice cultivation and about one-third of the land formerly under rice has been abandoned.

The importation of wheaten flour was important for the people's well-being even before the present rice crisis. Now it is even more vital.

The PPP will certainly be prepared to discuss with government the feasibility of securing wheat or wheaten flour from friendly countries. Rice and bauxite are being bartered for cars, buses, aeroplanes, helicopters, cement, umbrellas, medicines, etc. I fail to understand why wheat or flour cannot be brought in. Why force the people to eat rice when it can be sold outside at a higher price than imported wheat or flour?

With a political solution and improved relations with the socialist and nonaligned states, rice and bauxite production and exports can be increased, and all the flour or wheat we need can be imported.

RELAPSE ENDANGERS UPTURN IN TROUBLED ECONOMY

FL102005 Bridgetown CANA in English 2230 GMT 9 Oct 85

[Text] Georgetown, Guyana, Oct 9, CANA -- Despite an initial encouraging overall economic performance in the first quarter of this year in line with the 1985 projected growth of 2.4 per cent, the Guyana economy relapsed into sluggishness, unresponsive to structural adjustments in the public sector, by the end of the second quarter, the MIRROR newspaper has reported.

Quoting a report to Parliament by Deputy Prime Minister Haslyn Parris on Guyana's economic performance for the first half of 1985, the opposition paper said that at the end of June, real growth in output slumped to 0.4 per cent, jeopardising prospects for an upturn in the troubled economy. The MIRROR quoted Parris, who is responsible for planning, as saying, however, that Guyana managed to ride the waves of economic turbulence during the six months.

Production performance was mixed with varying degrees of increases recorded in sugar, rum, cigarettes, stockfeed, gold, diamonds, abrasive A-grade and calcined bauxite as against production for the same period last year.

Significant decreases were reported in rice, poultry, shrimp, garments, textiles and chemical grade bauxite, with output in some cases falling below 1985 targets...

Compared with this year's targets, rice fell by 17 per cent, sugar seven per cent, lumber eight per cent, stockfeed 23 per cent, aluminous cement-grade bauxite 24 per cent, calcined bauxite 79 per cent, chemical-grade bauxite 31 per cent, shrimp 26 per cent and gold 31 per cent.

The public sector financial position weakened, and the overall deficit for the period January to June was 438 million dollars (one Guy dollar : 24 cents U.S.), which is above the figure for the corresponding period last year by 60 million dollars.

Capital expenditure for the period was limited to 164 million dollars out of an annual budget of 747 million dollars, due mainly to the non-implementation of programmes occasioned by the absence of foreign exchange.

Government's revenue performance improved in the customs and excise and inland revenue departments, and cuts in employment cost by non-filling of vacancies.

On the other hand, central government expenditure went off the rail because of the failure to implement changes as regards internal interest payments, which had included voluntary rescheduling. As a result, interest payments reached 250 million dollars, far above the projected 55 million dollars, the central government deficit reached 343 million dollars, which was worse than the 289 million dollar deficit for the first half of 1984.

Public sector corporations suffered an operating loss of 34.71 million dollars compared to 41.1 million last year. The improvement was due to increased surpluses from service-oriented firms, gained mainly from higher prices. These included Guyana stores, the Guyana National Trading Corporation and Guyana National Printers.

Major deficits, however, were recorded by Guyana mining enterprises to the tune of 79.4 million dollars, Guyana Sugar Corporation (Guysuco) 38.8 million dollars, Guyana Rice Board nine million dollars, GEC 5.78 million dollars, Guyana fisheries 3.88 million dollars and Guyana timbers 2.60 million dollars.

Given the poor performance in the first half of 1985, there are proposals to increase production, management and efficiency, Parris was quoted as telling Parliament. Rehabilitation of the bauxite and sugar industries are priorities but will need large flows of foreign exchange.

The same applies to the rice industry. As far as gold is concerned, there are indications that the productive life of river beds is dwindling and there is need to exploit land-based deposits, the paper said.

Among the government's headaches is continuing high fuel consumption, and an increasing foreign debt burden which eats up much of the foreign exchange earned. Efforts to reschedule debts have brought little success, the MIRROR said.

11,000 LBS OF MARIJUANA CONFISCATED JAN-JUL

FL301625 Bridgetown CANA in English 1758 GMT 29 Sep 85

[Text] Georgetown, Guyana, Sep 29, CANA -- Guyana police hauled in 8 to 10 million dollars (one Guy dollar -- about 24 cents U.S.) worth of marijuana in the first seven months of this year, according to the opposition-backed MIRROR newspaper.

It quoted Chief of the Police Narcotics Department Detective Superintendent Henry Chester as saying that by the end of July nearly 11,000 pounds of marijuana had been confiscated. Chester said that, so far this year, the courts had handled 185 cases dealing with marijuana possession.

The paper said there was concern that Guyana was becoming a transshipment point for illegal drugs from South America bound for the United States. It said local police have concrete evidence that cocaine was being smuggled into Guyana from across the Brazilian border. There are growing suspicions that the point of origin of cocaine shipments is Colombia, the paper said.

The MIRROR quoted Commissioner Balram Raghubir as saying there was concern over drug abuses, however small the scale might be in comparison with other countries.

DIALOGUE BETWEEN GOVERNMENT, PARTIES INCREASING

Bouterse Meets VDP, NPS Leaders

PM100930 Amsterdam DE VOLKSKRANT in Dutch 5 Oct 85 p 3

[Unnamed "own correspondent" report: "Economic Situation Drives Bouterse Toward Old Parties"]

[Text] The Hague/Paramaribo -- The Netherlands Government has reacted remarkably positively to the official announcement of talks by Army leader Bouterse with the leaders of the two "old mother parties" in Suriname, the VDP [United Democratic Parties] of Jaggernath Lachmon and the NPS [Suriname National Party] of Henk Arron. The Hindustani VDP and the Creole NPS still represent an estimated 80 percent of the Surinamese population.

The party leaders have been granted permission to meet with their rank and file after a period since the beginning of the eighties in which the parties have been banned. There has been talk of the participation soon of both parties in a national cabinet, but in Paramaribo one of the party officials involved said: "We must now begin first to work out a program for the democratization of Suriname in which we should strive to agree on fixed dates for the realization of such a program. We are not thinking about an interim reconstruction of the cabinet."

Army leader Bouterse would like the VDP and the NPS to become involved in a national cabinet by 25 November. This could then be announced on the anniversary of independence on 25 November. However, Lachmon and Arron do not want to be hurried. They consider it essential that watertight agreements are made.

In a statement Bouterse formally confirmed that "a dialogue of a structural nature" is being initiated with the VDP and the NPS. The Netherlands Government hopes "that an important broadening and deepening of the political dialogue will make a contribution to acceleration of the democratization process and the restoration of a constitutional state." If the realization of this is palpable enough, the Netherlands Government will decide in favor of resuming development aid. The economic situation in Suriname is now forcing Bouterse into visible concessions, was the conclusion in the Hague.

At the beginning of this year the Army leadership promised a transitional phase of no more than 27 months to a democratized Suriname. According to chairman Radakishun of the Federation of Surinamese Industry and Commerce, the dialogue with the old parties and the process of democratic participation could shorten the transitional phase.

The first informal contacts with Bouterse by Lachmon and Arron date from a year ago. The basis for these was a statement by Lachmon on a number of fundamental conditions for a dialogue with the military. The result was that Bouterse accepted these conditions for democratization, including permission for political parties to work freely.

Radikishun: "If official publicity is now being given to the dialogue, this means that a serious and concrete state in consultations has now been entered. Although the VDP and the NPS represent the vast majority of the population, a number of people in the country will not be pleased at closer contacts between them and the government. As the gray eminence of Surinamese politics, Lachmon has a sufficient sense of reality to know exactly what he is doing," Radikishun said over the telephone.

Spokesman Lionarons of the Council for the Liberation of Suriname described Bouterse's announcement as an "important first step toward the restoration of democracy, which is also the goal of our council." According to Lionarons, whose newspaper offices were razed to the ground by the military in 1982, a suspicious eye must be kept on Bouterse's intentions and behavior.

"We view the present developments primarily as a success for the policy of the Netherlands Government. Economic pressure must be continued until firm agreements are reached. An interesting signal by Bouterse a couple of weeks ago was the appointment of Orlando van Amson, a well-known NPS supporter, as minister of sport. Things are going as they went in Brazil, where the military was prepared to take a civilian government seriously because it remains independent of the whims of generals," Lionarons said.

Movement 'Towards Democracy'

FL112142 Bridgetown CANA in English 2129 GMT 11 Oct 85

[Text] Paramaribo, Suriname, Oct 11, CANA-REUTER -- Suriname's two main political parties have been authorised to resume open activity after five years of military rule as this small South American country edges back towards democracy, party officials said.

Despite an official ban on political parties, Suriname's military ruler, Lieutenant Colonel Desi Bouterse, has allowed the right-wing Suriname National Party (NPS) of former Prime Minister Henk Arron and the centre-left Progressive Reform Party (VHP) of former opposition leader Jaggernath Lachmon to hold public meetings, they added.

The move follows talks between Bouterse and party leaders aimed at turning this former Dutch colony of 350,000 people to civilian rule by March 1987.

Bouterse authorised the political meetings after Arron and Lachmon persuaded him that they could not continue the dialogue further without consulting their party members. Yesterday, about 300 people attended the VHP's first public meeting since the military came to power in a 1980 coup. The NAP was due to hold its first meeting today.